Daily Report

Latin America

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Dominica Trade Minister Prefers Regional Trade

FL2901021394 Bridgetown CANA in English 1609 GMT 28 Jan 94

[Text] Roseau, Dominica, 28 Jan, CANA—Dominica's trade minister, Charles Maynard, says he is more interested in having better Caribbean trade than in boosting trade among the wider developing nations. For example, he said, over any "South/South" trade, he would welcome an opportunity for "shipping things into Barbados."

"Let us look at more trade with our neighbours. Let us look at more trade in Caricom (the Caribbean Community). Let us look at more trade with Guadeloupe and Martinique," Maynard suggested. He was reacting to agronomist Arthie Martin's suggestion that Caribbean countries should engage in more South/South trade.

Martin said that traditional trading arrangement which small countries like Dominica have with the industrialised world might take a beating from international trade arrangements like the North American Free Trade Agreement and the General Agreement on Tariffs and Trade.

Maynard said: "We have engaged in a programme of moving into trade with Venezuela... Despite that, this has been on for more than a year ... We have not seen any breakthrough." He also pointed to trade-related matters with Colombia and other Latin American countries, which "have remained merely at the level of discussions." He urged local manufacturers here to try to expand their exports in and out of the region.

Ambassador Ayala Appointed UN Human Rights Commissioner

PA1502043194 Quito Voz de los Andes in Spanish 2300 GMT 14 Feb 94

[From "The Voz Andes" newscast]

[Text] The UN General Assembly today confirmed Ecuadoran UN Ambassador Jose Ayala Lasso as the first UN high commissioner for human rights. His duties will involve the promotion and protection of human rights, including the right to development and the conception of suggestions to improve its implementation.

Upon expressing gratitude for the appointment, Ayala Lasso requested the support of all governments and invited them to a sincere dialogue. He also pledged to be objective and impartial in all situations and with all states.

The new high commissioner reaffirmed the universality, indivisibility, and interdependence of human rights, although he pledged to pay attention to national and regional characteristics and to historic, cultural, and religious traditions. Ayala Lasso also issued a warning to his own country, Ecuador.

[Begin Ayala Lasso recording] In the performance of my duties, I will be objective and impartial in all situations and with all states, but as an irrepressible expression of love for my people, which I will soon cease to represent at the United Nations, I will be particularly harsh in the execution of my duties, to ensure that Ecuador's conduct with regard to respect for human rights will be flawless. [end recording]

The Ecuadoran diplomat will have the rank of UN assistant secretary general. His mandate will last four years as of 28 February, and he will be based in Geneva.

Costa Rica Not To Change, Withdraw Niehaus OAS Candidacy

PA1502213594 Hamburg DPA in Spanish 2110 GMT 14 Feb 94

[Text] San Jose, 14 Feb (DPA)—Costa Rican President Rafael Angel Calderon said today that his government is still standing firmly behind Foreign Minister Bernd Niehaus' candidacy for the OAS secretary generalship.

He concurrently warned that Washington may eventually exert pressure on the small countries that support Costa Rica's top diplomat. "My government will not withdraw or change Niehaus' candidacy under any circumstance," added Calderon, recalling that he had rejected a request from Mexico that he seek the position.

Calderon said he has not received any information to the effect that the United States, which supports Colombian President Cesar Gaviria, is exerting pressure on small countries to force them to withdraw their support for Niehaus, a 52-year-old expert in international relations. "If pressure was exerted we would denounce it and all the countries on the continent would regret it," Calderon said.

The president made these remarks in response to questions concerning reports of an alleged weakening of Niehaus' candidacy in light of the emergence of Gaviria, whose nomination is not official as yet. Meanwhile, Fernando Naranjo, a ranking spokesman for the social democratic National Liberation Party (PLN), who has been mentioned as the next foreign minister, spoke today in favor of Niehaus' nomination.

Local newspapers have suggested over the past few days that support for the Costa Rican foreign minister is deteriorating. Within the framework of these rumors, several names were mentioned, including that of Oscar Arias, a former president and Nobel Peace Prize winner; Sonia Picado, a judge at the Inter-American Human Rights Court; Gonzalo Facio, the Costa Rican ambassador to Washington; and former Foreign Minister Rodrigo Madrigal as possible alternatives for Costa Rica in the event of Niehaus' withdrawal.

Costa Rican President-elect Jose Maria Figueres said shortly before the 6 February elections that his government would support the current foreign minister.

Meanwhile, President Calderon announced that Niehaus today initiated a tour of Caribbean nations to confirm the support offered to him by 13 nations in that region. The foreign minister claims to have 23 votes, five more than are needed to win the position in the first round, which is scheduled for 27 March. Niehaus asserts that he is the leader of a Central American candidacy and believes that it would only be fair for this area to have an OAS secretary general because thus far all of the secretaries have been from large South American countries. The principle of rotation must be observed, he recently asserted during an interview granted to DPA.

Colombian Minister Says Gaviria Has Votes for OAS Post

PA1502213894 Paris AFP in Spanish 2038 GMT 14 Feb 94

[Text] Santa Fe de Bogota, Feb 14 (AFP)—Colombian Foreign Minister Noemi Sanin revealed today that Colombian President Cesar Gaviria has enough support to obtain the OAS secretary general position if the president decides to run for it.

During an informal talk with reporters following her meeting with Peruvian President Alberto Fujimori, who is on a two-day official visit to Colombia, Sanin said she had no doubts that Gaviria would win if he decided to present his candidacy to head the continental forum right now.

The minister, who, with this objective, has been carrying out intensive contacts with the Caribbean countries and at the OAS headquarters itself, asserted that Gaviria's possible candidacy is seen with approval and has received the backing of several governments. Sanin did not specify the countries that would support the possible candidacy of the Colombian president, whose government ends on 7 August.

The foreign minister's disclosure is not an official announcement of President Gaviria's candidacy for the OAS secretary generalship. According to an official communique, which was issued on Sunday, the Colombian president has still not decided if he will run for this position and will announce his decision in the forthcoming days.

If Gaviria decides to run, he must confront Costa Rican Foreign Minister Bernd Neihaus, who is the strongest candidate for the position up to now. Furthermore, Venezuelan Foreign Minister Miguel Angel Burelli has also presented his name for consideration by the 34 OAS member states.

The U.S. Government is a proponent of the Colombian president's possible candidacy and, according to reports, Argentina, Peru, and Mexico also back Gaviria. Precisely, the Peruvian president admitted his support for the Colombian president to reporters in Santa Fe de Bogota.

Niehaus Seeks To Confirm Support for OAS Candidacy

PA1502211494 Panama City ACAN in Spanish 1728 GMT 15 Feb 94

[Text] San Jose, 15 Feb (ACAN-EFE)—Costa Rican Foreign Minister Bernd Niehaus is visiting St. Lucia, Guyana, and Grenada in the Caribbean to confirm the support these nations have given to his candidacy as the new OAS secretary general.

Official sources reported today on the "unexpected" visit and noted Niehaus was already on the island of St.

Lucia and is currently in Guyana from where he will fly to Grenada. According to some news reports, Niehaus' visit is related to the pressure the United States is exerting on some Caribbean countries to withdraw their pledge to support the Costa Rican foreign minister.

Costa Rican President Rafael Angel Calderon said today "it would be regrettable" if the United States were trying to pressure the countries of Central America and the Caribbean to withdraw their support for Niehaus. The head of state added that Niehaus is most likely going to have to vie for this post with Colombian President Cesar Gaviria, "who has the backing of the United States." Calderon reiterated his government's endorsement of Niehaus, who is ready to go "to the end" on this matter, he stressed.

Bernd Niehaus has been saying for some weeks he has the majority of votes needed to win the post of secretary general on 28 March and replace Brazilian Joao Baena Soares, since he has the backing of all the countries of the Caribbean and Central America, and some South American countries.

Cesar Gaviria's candidacy, which the Colombian president has not officially announced, has the backing of the United States, Mexico, and Brazil, among other big countries, according to news reports.

Before returning to Costa Rica, Foreign Minister Niehaus will go to Mexico to participate in a seminar on poverty in Latin America sponsored by the OAS.

Cuba

Importance of Parliaments Stressed

FL1502180294 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Feb 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guests Eloy Concepcion and Renato Recio of TRABAJADORES newspaper—live or recorded]

[Text] [Garcia] As you know, some 80,000 meetings must be held throughout the country, but the main points that prevail in all these meetings are the people's willingness to work and the desire to solve many problems, namely at the grassroots level.

[Recio] The subject we are to discuss today is very important, and people are talking about it on the streets. It is a topic on the streets because it refers to crucial problems, problems that people are experiencing on a day-to-day basis. These problems are also reflected in the workers' parliaments. And, of course, there are people on the street who ask whether these meetings are useful, important, or necessary.

Some people would answer, no. Many feel that the parliaments are too formal, that they will not solve current problems, that this is a matter to be dealt with by economists. There are people who think that economic problems are technical, scientific problems, and listening to the people's opinions has no practical value. Of course, I do not agree with those ideas.

[Garcia] What do you think, Eloy Concepcion?

[Concepcion] I think these meetings are extremely useful. I think these meetings are unique; they are not held anywhere else in the world. And I say this is unique because the workers' parliaments represent an opportunity for the workers to express their opinions on important issues in the country, but mainly because they are an opportunity to put the house in order. I think the parliaments at the work places must have as the first point on their agenda—I remember attending one parliament and it did have this on the agenda—the analysis of problems specific to that area, such as productivity, use of work time, theft of products, use of resources, etc. Workers must meet to discuss their local problems, that is, to become aware of existing problems and of those they can solve without waiting for national measures. I think this is sufficient reason to hold the parliaments.

[Garcia] What conditions are necessary for the development of these parliaments, to be what people really want them to be?

[Recio] The first desire is to discuss internal problems, and this perhaps is the most important aspect of the meetings. The other aspect is that the assessment of problems of the economy by the workers in general is extremely important. Not only to fulfill a formal obligation, and not to comply with a compulsory practice, a theoretical practice by inexpert people dealing with a complex matter, but because they must be protagonists of any change.

The problems of a country such as Cuba, within a society of workers, will not be solved by three, four, five, or six formulas, or even by 10 technical formulas. That is to say, the Cuban problem will not be solved by economists alone, although they should be solved by economists. We cannot underestimate the role of economic science, nor can we can overestimate it to a point of taking it as the only view. The problem consists of achieving a balance between the economy and politics, because our system will never be an exclusively efficient system. Efficiency must be combined with justice—efficiency with equity—and to achieve justice, the workers must be present, not only for the distribution of wealth but also for an exchange of ideas.

[Concepcion] I agree with Recio on the first point: The parliaments are to discuss internal problems. I recently attended a parliament on Plan Six, referring to citrus fruits. I thought then that these meetings should be better organized and structured, because the administration's report is important. That is, these parliaments constitute essential economic training schools for workers. I would call them that. I think that the administrative report must be structured in such a manner that all the workers have in their hands the elements they have never before had. In this parliament I attended, the workers learned that last year there was a loss of 200 [words indistinct]. Well then, the analysis should focus on the loss. An important element brought to the workers' attention was that in 1993 some 10,000 quintales of oranges, tangerines, and lemons were stolen and taken to the black market. The workers, themselves, said: In Havana, or in this or that town, tangerines were lost because they were stolen. The other important issue is that not only the administration is to blame for this.

I think there are three main factors that must be analyzed. With a certain degree of complacence, I noted that there are three factors: the administration, the union, and the workers. We often talk about the lack of organization at work, or about inefficiency, or misuse of labor hours, or even theft. The workers, the union organizations, and the administration officials are aware of what is going on; but they often just acknowledge and try to coexist with indiscipline.

[Garcia] Concepcion, you mentioned an experience you had when you attended a parliament. I believe Recio also attended some parliaments; he might also like to tell us his experience or some anecdotes.

[Recio] I also agree with Concepcion when he says that this is a good economic training school for workers. I fully agree with that and I would add, not only for workers but for the workers' leaders, for economic and political leaders, and for everyone. As you said, there are three factors: the administration, the union, and the workers. They often see negative things but they do not

change the course of events, perhaps because of a total lack of action or because of ignorance, because people cannot see the significance of all this, because the economic process is very complex.

We decided on a given economy for reasons I cannot outline now because it would take too long. This economy is based on material production, but it does not take into account the financial aspect, that is, that which has to do with costs, prices, profit possibilities, the budget, money circulation, etc. We have been practically negative in this aspect. We have practically overlooked it. We have failed to train the people. Then what happens? The first to take economic classes, in addition to workers, are the administrative board members because it is important for them to take these classes. The administration must have an objective, and that objective must be not only to produce, but to produce at the lowest possible cost. That is basic. But it is not done. For instance, when products are stolen, it affects the cost and production. If expenditures are not well accounted for, how can you find out the costs?

[Garcia] We are looking for points of agreement on the need for these parliamants, but we also wonder what the parliaments offer in the end.

[Concepcion] I think the parliaments must first adopt a plan of concrete and not general measures. I attended a parliament where I repeatedly heard worn out, obsolete words like eliminating this or that, organizing work, reducing subsidy, increasing production, promoting this or that, etc. These words in practice do not say anything. I think the plan of measures must be concrete, realistic, and with names. That is, productivity must be increased and to increase production we must do this and that, and Mr. So-and-so will do this and this, and John Doe will do this and that, because when the clock strikes five in the afternoon the workers leave, no matter what. In this case, the brigade that has not yet completed its task must remain until it finishes. These are concrete measures that must be adopted because, otherwise, the parliament will remain with its generalizations and theories, without achieving anything concrete. I do not know whether Recio agrees with me, but the country's economy will be saved to the extent that we save it in each worker's center.

[Garcia] Motivation is good. I think these meetings can motivate workers, create an environment favorable to increase production, to solve the problems at the grassroots, so that the companies, as Recio said, will be more profitable, so that costs will be reflected in prices, and so that workers may also be aware of what their centers can contribute to the development of the nation.

[Recio] I want to insist on this point: Not only the workers must be motivated, but the workers' leaders, as well. We must talk straight here. There are leaders who do not care about these problems, who do not lead anyone, and who do not discuss anything. And the workers must also demand that their leaders become more demanding. Because if the Cuban economy fails, who will suffer the consequences?

[Garcia, Recio] The people, the workers.

[Recio] And if something must be done and is not done, who will suffer the consequences? The people, the workers. And we workers are the owners here. This society was created for us, and we must show this ownership.

[Garcia] A brief summary, please, Concepcion, because our time has ended.

[Concepcion] In sum, we can say that following these problems of leaders and workers, we all belong to the same human group. We are workers, although we play different roles. The essence is that workers who are directly working the land or driving their machines must discuss their roles as workers, and the leaders must guide them well, using rational and logical economic measures. This is the objective and the goal of the parliaments.

Raul Castro Attends Opening of Western Army Training

FL1502202694 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Feb 94

[Relay from San Antonio de Los Banos Airbase by Reporter Jose Luis Martinez Zamora]

[Text] The new year of training for the Western Army began here in the presence of Army General Raul Castro, Minister of the FAR [Revolutionary Armed Forces]. The ceremony took place at the Playa Giron Air Brigade located in San Antonio de los Banos.

The Western Army's main objectives during the current training period will be: maintaining a high level of training and readiness; increasing the troops' self-sufficiency, supported by an intensive nutrition program; continuing the weapons and techniques preparedness program; and continuing to refurbish the theater of military operations.

During the ceremony, the defenders of the western territory ratified their decision to fight resolutely to achieve the title of best FAR command in 1995.

'High-Ranking' Officials Plan To Address Exiles

FL1502232894 Havana Radio Reloj Network in Spanish 2053 GMT 15 Feb 94

[Excerpts] The Mexican press highlights Cuba's proposed dialogue with the exile community. [passage omitted]

High-ranking Cuban officials will participate in that dialogue. The agenda for the meeting with sectors of the exile community planned for April contemplates having high-ranking Cuban Government officials address,

among other things, emigration/immigration matters, economics, culture, and cooperation mechanisms. [passage omitted]

Osmani Cienfuegos Tours Trinidad Tourism Facilities

FL1602024894 Havana Cuba Vision Network in Spanish 0100 GMT 16 Feb 94

[Text] The attractiveness of a city—Trinidad—which holds the title of mankind's patrimony was observed first hand by Politburo member Osmani Cienfuegos Gorriaran. The importance of Trinidad's tourism hub increases each year, not only by the growth in its capacity but by the wealth and beauty of its facilities.

Osmani Cienfuegos was accompanied by Jorge Valdez Rodriguez, first secretary of the Communist Party of Cuba in the region, and other PCC and government officials. The Politburo member was briefed on prospects for tourism development in Trinidad and asked about the thoroughness of studies conducted to guarantee the success of the new investments.

Osmani Cienfuegos also participated in the inauguration of the Santa Ana Foundation multipurpose center, built from a 150-year-old former prison by a specialized brigade of the People's Government. The facility, which will be used for international tourism in a effort to develop the economy, has a restaurant, cafeteria, two bars, Comintur stores, and facilities for pottery and handicraft sales. Folk shows and other activities will be held at the main square, which can hold 150 persons.

Finance Committee Official on Deficit Reduction Efforts

PA1602013594 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Feb 94

[Report by Susana del Calvo; from the "Evening Information Review" newscast]

[Text] The Havana workers' parliament has just been held and we will now speak with Jose Luis Rodriguez, minister president of the State Committee for Finance, who refers to the budget deficit.

[Begin Rodriguez recording] Generally speaking, the country, as well as Havana Province, should substantially reduce its budget deficit—particularly at the national level—this year. However, a certain level of deficit will nevertheless prevail because we cannot possibly reduce last year's figure, meaning $4.2 billion, to zero in a single year. The government has yet to approve the budget but we will have a deficit.

Generally speaking, the measures adopted in the assembly to reduce the deficit have a lot in common with what is being done in the rest of the country. The measures are mainly aimed at reducing subsidies to the enterprises, which is one of the essential elements of the country's deficit, and seeking a greater effectiveness in the production sector. This is a short-term element on which work can be readily carried out to cut losses, increase reliability, and achieve profits—as much as possible—in enterprises that are currently unprofitable. [end recording]

Workers propose measures during the parliaments. Some of the measures will be popular but others will not. Jose Luis Rodriguez refers to these measures:

[Begin Rodriguez recording] Certainly, as we have explained, the National Assembly of the People's Government is trying to adopt a series of measures that, although they will strive not to leave unprotected any citizen in the country, certain measures imply—as our commander in chief explained—sacrifices for the population. The people should rest assured the measures will be implemented with the greatest criteria of social justice possible and they will bear in mind the working people's interests. They will also include measures against those who violate the working people's interests. [end recording]

The consultation with the Cuban workers, called the workers' parliament, will end on 15 March.

Workers Engage in Discussion of Economic Issues

PA1502221494 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Feb 94

["Report" by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] Given a situation where shortages are widespread and increasing the level of efficiency in all economic sectors is urgent, Cubans support the immediate implementation of measures agreed upon in each workplace in order to reduce costs, be more cost-efficient, and better manage resources to increase production.

Over 3 million Cubans are currently participating in discussions promoted by the unions in an attempt to find solutions to various problems that hinder the efficiency of each workplace and affect the country's financial reorganization.

According to the Center for Social-Political Studies and Research [Centro de Estudios Socio-Politicos y de Opinion], which conducted a poll among 1,300 workers, the leading topic discussed in the meetings held thus far is labor efficiency. In response to a call by the union leadership, the main concern of Cuban workers has been to find a formula to produce more efficiently given the availability of enough raw materials, fuels, and production equipment.

During the meetings on economic issues called by the unions, the participants have contributed many ideas, recommendations, and useful reflections on how to face the management problem. According to official figures, only 31 percent of Cuban enterprises are profitable due to primarily external factors linked to the loss of Cuba's

traditional partners in the vanished socialist sphere and the intensification of the U.S. blockade.

However, other factors are involved in this situation, namely an inefficiency accumulated over many years, a lack of concern regarding costs, expenditures, and the balance between earnings and expenditures as well as a poor resource-management. The Cuban economy needs to place greater emphasis on all these aspects and to that effect, the current meetings come in very handy. In these meetings, both workers and administrative leaders examine thoroughly the best ways to eradicate inefficiency. What constitutes one of the most pressing tasks is to implement the agreements fully in order to eradicate inefficiency, without waiting for the measures that will soon be approved by the Cuban Parliament to reorganize the country's finances.

Roundup of Economic Activity

FL1602023994

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 12 and 15 February.

Radio Rebelde at 1000 GMT on 12 February reports that the Cienfuegos spring sugarcane plan calls for planting 66 caballerias in February. The radio also says that the weeding of cane lands needs to be increased at Cienfuegos' 12 agroindustrial complexes, because "at the end of January, only 48 percent of the planned weeding had been accomplished."

Radio Rebelde at 1255 GMT on 12 February reports that the order placed with the 20th Anniversary of the Triumph of the Revolution factory for 75,000 batteries for use during the current sugar harvest has been met. "This factory, the only one of its kind in the nation, is located in Manzanillo."

Radio Rebelde at 1800 GMT on 12 February reports that Cubana de Aviacion serves Cuba's nine tourist hubs. "The Cuban Civil Aeronautics Institute, IACC, is cooperating in the nation's effort to receive 1 million foreign vacationers in the short term, and have its aircraft and installations offer these visitors quality service," announced Division General Rogelio Acevedo, president of the IACC, upon inaugurating the remodeled Maximo Gomez terminal in Ciego de Avila Province, which was expanded at a cost of 10 million pesos and services several international routes by which tourists arrive at hotels and villas on the cays along Cuba's north coast.

Radio Reloj at 2057 GMT on 13 February notes that Cuba and Jamaica have established a maritime link "for trade and tourist purposes. The cities of Port Antonio and Santiago de Cuba, separated by 77 km, are linked by a trip of just seven hours. This will allow a greater number of vacationers to travel between the two islands. This link is also aimed at developing multidestination programs aimed at meeting the needs of the European, Canadian, and Latin American markets, and making a reality the Cuban and Jamaican desire to consolidate economic and tourism relations." This link was begun with the ferry Caribbean Queen [Reina del Caribe], operated by the Inter-Caribbean [Inter-Caribe] company, "whose basic activity is related to cruises, in conjunction with hotel enterprises. The ship carries 128 passengers, and the fact that it is first-class, economically advantageous, and has reasonable prices and onboard services satisfies the traveler's requirements. The tourist package is broader, however. Santiago de Cuba offers the enchantment of its history, hospitality, sun, culture, and autocthonous folklore, that mix of ethnicities and races that have merged into a particular idiosyncrasy. Options range from hotels, beaches, and nightclubs under the stars to trips to other Cuban cities. There are also prospects cropping up for achieving a greater presence of Cuban products in Jamaica and vice versa, which creates a favorable atmosphere for developing cooperative investments based on the potential the industry of the biggest island of the Antilles offers the market. Geographical proximity, cultural affinity, and good will nourish the interest in consolidating the tourist industry by connecting these Caribbean islands."

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 14 February report that the latex factory in Las Tunas is manufacturing gloves for use in the sugar harvest. During the first stage that will end in April, the factory will produce 225,000 pairs of acid-proof gloves. This factory, which belongs to the Las Tunas Ceramics Enterprise, also produces vaginas for artificial insemination, and will soon begin manufacturing protective gloves for work with laboratory animals.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 14 February add that three new generators were installed at the Camaguey sugar mill to increase the supply of power to the country and the production centers.

Radio Reloj at 2045 GMT on 15 February reports that the 26 de Julio cane cooperative in Havana is stressing cane recovery and that "only 20 of the 90 caballerias of cane available will be cut this year." Leonardo Gonzalez, the cooperative's president, said the disease that stunts growth has been reduced to a minimum in the group's fields through intense fertilization with ammonia and thorough weeding.

Roundup of Economic Developments

PA1502211394

[Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 15 February.

Sergio Corrieri, the president of the Cuban Institute of Friendship With the People, has announced that Cuba has received approximately $50 million in donations through his organization. Donations were mainly in the

form of powdered milk, school supplies, and medicine. Aid came from 72 countries, but more than the value of the merchandise itself, Corrieri stressed that it is the aid's "symbolism" that matters. (Madrid EFE in Spanish 2146 GMT 8 Feb 94)

The Central Drilling and Extraction Enterprise has reported record production for the month of January. The company pumped 113,346 tons of crude oil of its annual goal of 888,000 tons. The year's total nationwide projection is for the production of 1.2 million tons of crude, 100,000 tons greater than last year. Meanwhile, the government has opened bidding in Great Britain and Canada to allocate drilling rights for several offshore and inland sights. The British Premier Corp. will explore 2,990 km and the French Geopetrol company will explore 1,600 km. (Hamburg DPA in Spanish 1911 GMT 14 Feb 94)

Chiapas Peasants Occupy Ranches, Mayor's Office

PA1602041194 Hamburg DPA in Spanish 0135 GMT 16 Feb 94

[Text] San Cristobal de las Casas (Mexico), 15 Feb (DPA)—In the past few hours, Chiapas peasants have occupied several ranches and a municipal mayor's office, within the framework of growing social unrest which is shaking this state of southeastern Mexico, the locale of the Zapatist National Liberation Army [EZLN] guerrilla revolt since 1 January.

Members of the Emiliano Zapata Peasant Organization (Organizacion Campesina Emiliano Zapata—OCEZ), who belong to the pro-government Ayala Plan National Coordinating Board (OCEZ/CNPA), occupied the mayor's office in Chanal Municipality, and demanded the dismissal of local authorities who they claim are corrupt.

Peasants and town residents have occupied another eight mayor offices in Chiapas for over a week. They are demanding the construction of public works or the dismissal of municipal authorities.

In Chilon, another Chiapas municipality, some 600 peasants peacefully occupied 18 farms encompassing 3,000 hectares. They are claiming property rights to the land, while the National Coordinating Board of Indian Peoples (Coordinadora Nacional de Pueblos Indios—CNPI) did the same thing on 11 farms encompassing 14,000 hectares in Bachajon.

Oscar Romeo Perez Cordova, a member of the Chilono Attorney General's Office, said he has received at least 18 complaints of land occupations from the land owners daily.

The CNPI declared, for its part, that the lands occupied in Bachajon belong to its members, who were stripped of their land by ranchers and cattlemen of the region.

The social unrest in Chiapas lies within the framework of the armed revolt of the EZLN, which in a recent communique urged the people to oust all the municipality mayors claiming they are illegitimate.

Peace Commissioner Announces End to Rebel 'War Tax'

PA1602044494 Mexico City NOTIMEX in spanish 2035 GMT 15 Feb 94

[Text] San Cristobal de las Casas, 15 Feb (NOTIMEX)—Manuel Camacho Solis, the commissioner for peace and reconciliation in Chiapas, announced today that the armed group in this southeastern Mexican state will suspend "charging a war tax" Thursday.

The self-styled Zapatist National Liberation Army's decision to stop charging this "tax" where they are present, improves the climate for the first peace meeting with this group, Camacho Solis stated. The commissioner observed that this measure and the group's previous decision to release former Chiapas Governor Absalon Castellanos on Wednesday morning, indicates that the channels for dialogue remain open. "We are witnessing a new demonstration of their political will in favor of a true dialogue," said Camacho Solis, who has maintained communication with the armed groups through public and confidential messages since the second week of January.

On 2 January, the armed group kidnapped Castellanos Dominguez, forcing the Mexican Army to intervene one day after the conflict began in north central Chiapas, where the armed group violently seized several communities to present Indian demands. The clashes between the armed group and the Army were virtually suspended on 12 January, when President Carlos Salinas de Gortari ordered a cease-fire and initiated efforts to further pacification and reconciliation.

In a communique distributed to the Chiapas residents in San Cristobal—1,200 km. southeast of Mexico city—the commissioner indicated that the suspension of the "tax" is an additional step in favor of the peace meeting.

Military authorities asserted on 11 February, that area residents, who were dislodged by the conflict, have charged that the rebels took all their animals, crops, and properties, and constantly harassed them, "because they refused to join" the armed group.

Camacho Solis said on Monday that the delegates appointed by the armed group for the direct dialogue are on their way to a meeting area from where they will be transferred by the International Red Cross to the center where the peace meeting will be held.

Chiapas Bishop Samuel Ruiz, who is the liaison between the commissioner and the armed group, said on Monday that the date and place of the first peace meeting will be announced Thursday.

Salinas Unveils Plan To Help Coffee Growers

PA1502221594 Mexico City XEW Television Network in Spanish 0435 GMT 11 Feb 94

[From the "24 Hours" newscast]

[Text] On the evening of 10 February, President Carlos Salinas de Gortari replied to coffee growers' proposals, requests, and demands during a meeting to assess the 1993-94 coffee harvest season and analyze proposals for the 1994-95 season. After listening for an hour in the Carranza Room in Los Pinos Presidential Residence to the serious crisis coffee growers face because of drops in international coffee prices, Salinas announced 10 guidelines to help coffee growers: First, 36 million new pesos will be earmarked to help low production zones; second, the National Solidarity Program [Pronasol] will transfer Inmecafe [Mexican Coffee Institute] facilities to coffee growers organizations; third, savings banks, guarantee funds, and credit unions will be

revamped to increase their financing capacity; and fourth, all Inmecafe facilities transferred to coffee organizations will be registered within a month. President Salinas details the fifth measure:

[Begin Salinas recording] Both the Pronasol Enterprise Fund and the National Finance Bank are ready. We are going to back up all projects if they are economically viable. [end recording]

The other measures are as follows: sixth, the National Rural Credit Bank will receive 100 million new pesos to grant farming credits and to restructure expired portfolios; seventh, the National Foreign Trade Bank will receive $200 million to help coffee exports; eighth, the Mexican Coffee Council [Consejo Mexicano del Cafe] will boost portfolio restructuring with private banks; ninth, coffee growers will be incorporated into the IMSS-Pronasol [Mexican Social Security Institute-Pronasol] program to improve their health conditions; and 10th, Salinas announced an additional non-budgetary offer:

[Begin Salinas recording] We started out with 140 million new pesos. We are now ready to more than double these funds, which will amount to 333 million new pesos, to help coffee growers. [applause] [end recording]

President Salinas said that the solution to coffee growers' problems will be laid in a slow, yet different and profound process.

Arturo Jimenez from La Selva de Las Margaritas, Chiapas State; Jorge Aguilar from La Sierra Madre de Motozintla; Marcelo Herrera of the Independent Central Organization of Agricultural Workers and Peasants [Central Independiente de Obreros Agricolas y Campesinos]; Fernando Celiz of the Coordinating Board of Coffee Organizations [Coordinadora de Organizaciones de Cafe]; and Rafael Arellanes of the National Coffee Producers Union [Union Nacional de Productores de Cafe] were among the speakers.

Roundup of Economic Developments

PA1502221794

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 15 February.

Luis German Carcoba Garcia, the president of the Business Coordinating Council, has noted that "excessive surveillance along the border by U.S. immigration officials is a bothersome and delicate issue that violates human rights." He added, however, that the situation will not affect trade relations between the two countries. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 9 Feb 94)

In an address to the Business Opportunities Seminar in Guadalajara, Gilberto Jimenez Garcia de Alba, the president of the National Council for Foreign Trade, said that exports of Mexico's nonpetroleum products increased 17 percent during 1993. He added that higher nonpetroleum exports, $15 billion in foreign investments, and overall price stability "confirm that we are on the right track." (Mexico City NOTIMEX in Spanish 0112 GMT 11 Feb 94)

In a speech to the Business Opportunities Seminar in Guadalajara, Eugenio Carrion, the under secretary of commerce and industrial development, said Mexico has one of the most attractive markets in the world. He said proof of this was the record growth of many companies on the Mexican Stock Market. Companies such as Cifra, Gigante, and Comercial Mexicana registered growth of 14-24 percent. Mexico offers a stable economy, low inflation, and virtually no foreign debt, all of which attract investment. Carrion also said "Mexico can supply the U.S. Hispanic market," which spends about $230 billion a year, which is equivalent to 75 percent of Mexico's overall GNP. (Mexico City NOTIMEX in Spanish 2231 GMT 9 Feb 94)

Jaime Serra Puche, the secretary of commerce and industrial development, has said foreign investment surpassed $40 billion over the past five years. He met in Guadalajara with local and foreign business leaders and announced that investments meant an influx of capital totaling $15.6 billion during 1993—an 87 percent increase over 1992. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 9 Feb 94)

Mexican crude oil prices increased in January, according to a report issued be Mexican Petroleum (Pemex). The report quotes Isthmian Light Crude at $12.95 a barrel, Maya Heavy at $10.15, and Olmeca Extra Light at $14.20. These three types showed export levels of 213,300, 807,600, and 313,800 barrels per day, respectively. Exports went mostly to the United States, while 14.1 percent went to Spain and 4.4 percent went to the Middle East. (Mexico City NOTIMEX in Spanish 0026 GMT 10 Feb 94)

Pedro Aspe Armella, the secretary of finance and public credit, says interest rates are continuing to fall. He called this a "memorable event, because rates on the money market have reached a single digit figure—9.75 percent." Meanwhile, consumer prices rose 0.8 percent in January. This is the smallest increase in 22 years. Officials pointed out that this is the first time the inflation rate fell below 1 percent for this time of year. The annual projection for consumer prices is set at 7.5 percent. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 9 Feb 94)

Costa Rica

Central Bank Report on Foreign Debt Price Rise

PA1502214494

[Editorial Report] The Central Bank of Costa Rica has issued a report saying that for the past three years Costa Rica has been one the of the "Latin American countries with the greatest increases in the price of its foreign debt on the international market." In 1990, the face value of the country's foreign debt was 30 percent; in 1993 it surpassed 82 percent. Between 1991 and 1993 Costa Rica paid $1.525 billion in principal and interest on its foreign debt, thereby lowering the burden of its foreign debt. Central Bank President Jorge Corrales believes this is the result of appropriate macroeconomic policies. (San Jose LA NACION in Spanish 1 Feb 94 p 24A)

El Salvador

PCN Presidential Candidate Warns of FMLN Campaign

PA1602021594 San Salvador EL DIARIO DE HOY in Spanish 15 Feb 94 pp 3, 56

[Text] Roberto Escobar Garcia, presidential candidate for the PCN [National Conciliation Party], warned Salvadorans of a possible Farabundo Marti National Liberation Front (FMLN) attack on the electoral system. "I am definitely warning the Salvadoran people because we cannot trust the left-wing," asserted the presidential candidate.

At the same time, Escobar Garcia also denounced the left-wing's pressures on the Supreme Electoral Tribunal [TSE], both internally and externally. He mentioned that the Electoral Code was reformed because of those left-wing pressures to allow them to enter Departmental and Municipal Electoral Boards in a proportion that does not correspond to them. Furthermore, because of those same left-wing pressures, other provisions and mechanisms of the Electoral Code have been revised.

According to the candidate, that is a form of blocking and disparaging the electoral process "with easily discernible intentions." According to the politician, the TSE "prefers to please the leftists in an effort to maintain the prestige of the Salvadoran electoral process."

He advised, however, that as the left-wing begins to feel defeated and realizes it has no support, it will attack the electoral system for any reason, real or imagined. He added that the pressures "are fabricated here and bolstered abroad. Later, the conditions, specially from the United States and Europe, come to El Salvador." He regretted this fact, and reiterated that the left-wing immediately goes abroad to complain to the U.S. Government or the Europeans about any little thing that could be solved here. In this regard, Escobar Garcia asked the left-wing to show "more loyalty for the electoral process, for democracy, and for the Salvadoran people. This is no way to collaborate with democracy, but it is a way to destroy it," he said.

In spite of everything, he continued, "the people must not be skeptical or pessimistic because the Salvadoran right-wing clearly understands the FMLN's strategy." Furthermore, he asserted that "the PCN is willing to defend the system and fight within the law so our rights and those of the citizens are guaranteed."

Colonel Escobar Garcia stated this shortly after receiving the general secretariat of the PCN from Hernan Contreras, whom he said had done "an excellent job." He used the same general terms to describe the work of the TSE, whose work has been recognized nationally and abroad, and also "by Augusto Ramirez Ocampo, chief of ONUSAL [UN Observers for El Salvador] himself."

He also said other organizations have claimed that the TSE has a very reliable electoral process, something which other countries that claim their democratic system is more advanced wished they had.

Investment Loans Approved for Agriculture, Livestock

PA1502214594

[Editorial Report] Central Reserve Bank President Roberto Orellana has said that funds have been already approved for investment loans to meet the demands of the agricultural-livestock sector in 1994. On 8 February, the Central Reserve Bank forwarded 750 million colones to credit institutions for the loans. (San Salvador LA PRENSA GRAFICA in Spanish 9 Feb 94 p 3)

Guatemala

Peace Commission Excludes Truth Commission From URNG Talks

PA1502225494 Guatemala City Teleonce Television in Spanish 1900 GMT 15 Feb 94

[From the "Telepress" newscast]

[Text] The Peace Commission [Copaz] has decided not to include the subject of the Truth Commission with international verification in the dialogue with the URNG [Guatemalan National Revolutionary Unity] due to resume within the next few days.

Copaz President Hector Rosada Granados has explained publicly the opposition among various sectors within the Army to include this topic in the talks; therefore, it will be left pending for a future opportunity. Deputy Clodoveo Dominguez, a retired military officer, stated this comment this morning.

[Begin Domiguez recording] The Truth Commission is a commission that, if it were to be formed, should be more within the legal framework rather than a political framework. The political framework will only serve to stir things up and seek confrontation between the various

political trends and sectors; thus, none of the sectors or the Guatemalan people have anything to gain from such a strong confrontation, as was seen in the past in Argentina and more recently in El Salvador.

If the Truth Commission really serves to heal wounds and identify, within the framework of the law, those who in the past have harmed the country, then the commission is correct. If what is sought instead are ways to reopen wounds and cause the Guatemalan people to shed blood again, we must be very careful. [end recording]

Defense Minister Opposes Truth Commission's Creation

PA1602030794 Mexico City NOTIMEX in Spanish 2312 GMT 15 Feb 94

[Text] Guatemala City, 15 Feb (NOTIMEX)—Guatemalan Defense Minister General Mario Enriquez today reasserted his rejection of the creation of a Truth Commission to investigate human rights violations in the country, because it would seek "vengeance."

The chief of the Guatemalan Armed Forces (FAG) said in a news conference that, if an investigation is conducted on events that occurred throughout the armed conflict which lasted three decades, this would increase "social polarization" and divide society. The Army cannot accept that option "because it would not seek conciliation, nor would it be fair, because no sanctions would be imposed on guerrilla fighters involved in human rights violations," Enriquez added. He recalled that countries such as El Salvador and Argentina, where civilian groups sponsored the creation of Truth Commissions, are now paying a high cost. "People are being killed in the former even though the whole truth was not learned," he said.

The Mutual Support Group (GAM), made up of relatives of missing persons, said on Tuesday the most repressed groups in our society have the right to demand the creation of that commission. The GAM issued a communique stating this is a demand from 45,000 families whose loved ones were violently taken away. The communique said no Guatemalan should question the creation of a Truth Commission by arguing that no one is "free of sin" to demand an end to impunity and injustice.

Relatives of Guatemalan Detainees and Missing Persons (Famdegua) rejected the National Congress' intentions of sponsoring an amnesty decree because "it would favor impunity and protect criminals and corrupt persons." Guatemalan legislators insisted on the need to establish a pardon for the perpetration of common political crimes. According to Famdegua, two amnesty bills were sponsored in June—shortly before President Ramiro de Leon Carpio was sworn in—to prevent the enforcement of justice against former President Jorge Serrano.

The former president, who sought asylum in Panama, tried to dissolve Congress and the Supreme Court of Justice on 25 May 1993.

Another decree would favor members and collaborators of subversive factions, and all those who had participated in acts of repression or persecution.

In October Congress tried to modify Article 183 (Paragraph U), which authorizes the president of the Republic to "commute a death sentence for the next highest sentence, and to grant a pardon in connection with common political crimes and related crimes."

According to Famdegua, it is evident that pressure is being exerted by groups which, "like the Army," are involved in human rights violations, to decree an amnesty that would also favor politicians and former officials. To establish an amnesty would be tantamount to leaving "black pages of an authoritarian, terrorist, and corrupt era" unpunished and shelved, it was added by the organization, which struggles for the return of 45,000 persons.

URNG: De Leon Waging 'Dirty War' Against Peace Talks

PA1602031294 Paris AFP in Spanish 0056 GMT 16 Feb 94

[Text] San Jose, 15 Feb (AFP)—Guatemalan news agency CERIGUA, closely connected with the Guatemalan guerrillas, announced Tuesday that the Guatemalan National Revolutionary Unity (URNG) has accused the government of President Ramiro de Leon Carpio of waging a "dirty war" to undermine the peace negotiations, which are scheduled to begin the second half of February.

According to the Mexico City datelined dispatch, Miguel Angel Sandoval, one of the guerrilla spokespersons, accused the government and the Guatemalan Army of opposing the "Truth Commission," which is investigating crimes committed during the war-torn years in that Central American country. According to Sandoval, government negotiators will also block the international verification of the agreements to be signed by the parties on human rights, which is the first point of the negotiations, .

CERIGUA also attributed statements to Defense Minister Mario Enriquez rejecting the creation of the Truth Commission. He thinks its purposes are "vengeful" and therefore, "instead of having a conciliatory nature, it tends to divide."

According to the URNG, President Ramiro de Leon "lacks autonomy, and he limits himself to doing what the Army says," which is why his intent is to hinder the dialogue.

In January the United Nations called on the government and the URNG to resume the peace talks, which had been suspended since May 1993 in the wake of discrepancies between the parties on points relating to human

rights. The meeting will be held the second half of February on an as yet unspecified date.

The Guatemalan Catholic Church, however, has expressed doubts regarding the seriousness of both of government and the guerrillas to begin this new phase of the process.

Quiche Base Commander on Arming Self-Defense Groups

PA1602004494 Guatemala City SIGLO VEINTIUNO in Spanish 15 Feb 94, p 3

[Text] Brigadier General Victor Augusto Vasquez Echeverria, commander of the military base in Quiche Department, said: "We will give Galil assault rifles to those who legally organize themselves to protect their properties."

Following the attack carried out by guerrillas on the morning of 13 February, the majority of the store owners are furious because the insurgents' actions have only caused them losses, he said. "They have stated they intend to join the Civilian Self-Defense Patrols to oppose the instability caused by the insurgents. The Constitution allows civilians form groups to protect themselves from foreign forces," he pointed out.

On the morning of 13 February, members of the Poor People's Guerrilla Army (EGP) used explosive charges to topple nine electric posts in Chichicastenango and Solola. According to Gen. Vasquez, the operation was carried out simultaneously by groups of four rebels, and authorities found propaganda at the sites from the Guatemalan National Revolutionary Unity (URNG) and the EGP alluding to the anniversaries of the two organizations.

He said: "We have sent more than 200 soldiers to patrol the area as the inhabitants of the three affected departments have requested." The URNG operation was executed at a strategic point, since the posts that were blown down interconnected the electricity network between Quiche Department, Chichicastenango Municipality, and Solola Department.

Up to yesterday, electrical power had not been restored in any of these places. Businesses opened as usual even though some products that required refrigeration were lost. Gasoline service stations used manual pumps, which caused a certain backlog of vehicles. Nothing like this has been experienced in this area since the beginning of the 1980's when guerrillas destroyed an electric power generator in the outskirts of Quiche.

Unhappiness In the Area

Quiche Governor Alfonso de Paz rejected these types of actions, which only serve to stop development. "It is regrettable that these acts are repeated in our department, which has suffered plenty of damage due to the domestic conflict," the governor said. Quiche belongs to Region No. 7, which is classified as one of the country's poorest. Extreme poverty is experienced in 95 percent of its 21 municipalities. Also, according to what the residents say, this area suffered constant Army bombings during the 1980's.

Quiche Mayor Juan Jose Garzona also condemned the attack saying that these actions affect all residents of the department. "Market vendors and hotel owners have been affected. Several tourists left on Sunday morning because they were afraid of renewed guerrilla attacks," the mayor said. Up to now, the URNG has not claimed responsibility for the attack, but it has not denied it either.

Congress President on Rapprochement With Executive Branch

PA1602002594 Guatemala City SIGLO VEINTIUNO in Spanish 15 Feb 94 p 5

[Report by Lucy Barrios]

[Text] The presidents of the Executive and Legislative Branches have made the first move toward rapprochement after several months of dispute—provoked by the 25 May coup d'etat and worsened by the purge sponsored by Ramiro de Leon Carpio.

Congress President Oscar Vinicio Villar yesterday reported that the first action of rapprochement occurred during the inauguration of the "Fuertes Caminos" project, when he invited the Executive Branch to find solutions to national problems through a dialogue and reconciliation. Even though the action of rapprochement was fortuitous, it grants an opportunity to end the confrontation between the two branches, based on the understanding that we will respect our independence and jointly seek solutions to the most important social problems, he added. Villar said it is never too late to improve things when there is a political will, particularly now that the democratic process, and the country's own stability, are at stake.

Referring to the Great National Agreement, the congress president said if everyone has faith and works hard to solve the crisis, and if there is a political will to find solutions without negatively affecting the masses, we can all overcome the problems that have provoked national instability. This project supports the congress position that all the groups which comprise our society should participate in a dialogue. We are willing to participate, as an organization, and support the appeal issued by the Executive Branch because we believe this will allow us to find a solution to our differences, Villar said.

The official said the current problem is that each group that wants to participate in the dialogue has the idea it will gain something, but if we want to find a solution to our current crisis we must first make contributions without expecting benefits. "Referring to this, the groups that have remained in power in the country must realize it is important that we find solutions to prevent a grave crisis, because this would return the country to the obscurantist decades" which prevailed in the past.

Given this situation, in my role as Legislative Branch president, I consider positive a rapprochement between the two state branches because we are aware that a dialogue will allow us to find solutions to the problems that worry us nowadays, he emphasized.

Mexico Rejects Army's Offer of Assistance in Chiapas

PA1502171194 Guatemala City PRENSA LIBRE in Spanish 13 Feb 94 p 67

[Text] According to a CERIGUA report datelined Mexico City, the Mexican newspaper EL DIA has said that the Guatemalan Government and Army have played a "dark role" in the Chiapas conflict by offering military aid to fight the Zapatist National Liberation Army.

EL DIA said the Guatemalan Government and Army think security in the area should be maintained by the two armies, a purpose for which the Guatemalan Armed Forces have "offered their help."

The Mexican newspaper described the Guatemalan military's offer as "unacceptable meddling" and recalled that the Mexican Army rejected the offer because it was a local problem that the Mexicans themselves would solve.

Following the offer of assistance, a joint U.S.-Guatemalan military contingent conducted operations under the guise of social projects on the border with Mexico, CERIGUA reported. EL DIA commented that such operations obscure matters and that "at the very least, it can be said that the Guatemalan Government's position is openly unfriendly, a stance that should not be surprising in view of historical realities," CERIGUA concluded.

Army spokesperson Edith Vargas de Marroquin rejected EL DIA's charges that the Guatemalan Army had offered assistance to fight the Zapatists. She added that the Mexican Government and Army are capable of solving their sad, delicate problem and have requested no help from the Guatemalan Armed Forces.

De Leon, U.S. Ambassador Inaugurate Fuertes Caminos 94

PA1502222894 Guatemala City PRENSA LIBRE in Spanish 12 Feb 94 p 4

[Text] President Ramiro de Leon Carpio and U.S. Ambassador Marilyn McAfee inaugurated the Fuertes Caminos 94 campaign at the municipal stadium in Salama, Baja Verapaz yesterday. The purpose of this project is to provice humanitarian aid and real opportunities to the communities in the region and to establish ties of cooperation. The campaign will also provide training for some 300 U.S. National Guard Reserve troops.

The U.S. soldiers will work with personnel from the Communications, Public Health, and Education Ministries for six months. The work will include constructing bridges, buildings, and rural roads, digging wells, and carrying out medical and educational campaigns.

Also present for the inaugural ceremonies were the ministers involved in the project, Congress President Vinicio Villar Anteu, and several deputies. De Leon Carpio thanked the United States for their assistance and asked for support in his fight against poverty.

Banana Producers Association Director on Proposal to EU

PA1602043094 Guatemala City PRENSA LIBRE in Spanish 12 Feb 94 p 71

[Text] Jorge Asencio, director of the Guatemalan Banana Producers Association, said yesterday Guatemala is standing firm on its proposal to find a fair solution to the banana war with the European Union (EU), more so now that Europe has withdrawn its December offer and that GATT reiterated its ruling in favor of Latin America.

Guatemala, Ecuador, Honduras, Panama, and Mexico won a second victory when the EU withdrew the offer it was secretly negotiating with Colombia in December 1993 and which had received support from Costa Rica, Nicaragua, and Venezuela. The offer was to increase the banana import quota by 200,000 tons.

These five countries presented a new proposal this week to the EU based on Guatemala's plan, which consists of increasing the import quota to 3.2 million tons, out of which 2.5 million tons would be for Latin America and 700,000 for Africa, Caribbean, and Pacific (ACP) countries.

The EU said initially the new Latin American proposal was unrealistic, but in the face of the firm persistence by the proposing countries and the surprising Costa Rican withdrawal from another group that backed the EU proposal, the EU decided to withdraw its December proposal.

With the EU withdrawing its proposal, the 4-04 rule becomes effective, the EU allowed to import only 2 million tons of bananas, which must be shared with ACP countries.

Nevertheless, GATT officially informed its 117 member countries yesterday of the report by the experts committee (panel), which ruled the EU import regime, in effect since July 1993, violates international trade standards.

Roundup of Economic Developments

PA1502201594

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 15 September.

Guatemalan Institute of Tourism Director Jose Miguel Gaitan has told reporters that last year 562,000 tourists visited the country and spent $265.4 million. Gaitan

indicated tourism is the country's second best source of foreign currency. (Panama City ACAN in Spanish 1834 GMT 9 Feb 94)

The government's austerity plan went into effect yesterday in accordance with Government Agreement 40-94. Consequently, the agencies of the executive branch, as well as the decentralized and autonomous entities participating in the agreement, must implement measures to rationalize public spending. Among the provisions contemplated in the aforementioned agreement is a ban during the current fiscal year on the purchase of automobiles, with the exception of ambulances, patrol cars, and similar public services equipment, provided that the corresponding budget appropriations have been made. (Guatemala City PRENSA LIBRE in Spanish 11 Feb 94 p 115)

The Central American Bank of Economic Integration (BCIE) and the Banco de la Construccion have signed an agreement to provide an additional 5,810,570 quetzals to finance loans for small and medium-sized industries within the PAPIC [expansion unknown] program. To date, the BCIE has provided a total of 55 million quetzales in loans to finance programs for small and medium-sized businesses. (Guatemala City PRENSA LIBRE in Spanish 13 Feb 94 p 18)

Honduras

Roundup of Economic Developments

PA1502232894

[Editorial Report] The following is a compilation of reports on Honduran economic developments monitored through 15 February.

The Honduran Government announced a new lempira devaluation today, two weeks after President Carlos Roberto Reina's inauguration. Finance Minister Juan Ferrera disclosed the official exchange rate will go from 6.20 to 7.27 lempiras per dollar, effective 15 February. The name the Honduran Government is giving the monetary changes is the customs compensation factor [Factor de Valoracion Aduanera] for the implementation of duties within import and export tariffs and other tax schedules. (Panama City ACAN in Spanish 1753 GMT 12 Feb 94)

Central Bank President Hugo Noe Pino disclosed today the Rafael Callejas administration, which ended on 27 January, left a "dreadful" 10.6-percent fiscal deficit. Pino told the media it is untrue the Callejas administration left a deficit of between 7 and 8 percent, as he announced prior to leaving office. President Carlos Roberto Reina and four IMF experts began to analyze the country's economic situation this week. Honduras pays between $400 million and $450 million for its foreign debt per year, a total that amounts to 40 percent of the budget. Pino said the country's deficit amounts to approximately 2.3 billion lempiras (about $371 million), adding such a figure "is dreadful and unmanageable" (Panama City ACAN in Spanish 1833 GMT 12 Feb 94)

The Economic Cabinet, consisting of Guillermo Bueso, Central Bank President Hugo Noe Pino, and Finance Minister Juan Ferrera, warned this weekend the people should brace themselves, because there will be currency devaluations every month. This is within a plan by macroeconomic strategists who seek to close the fiscal gap. (Tegucigalpa EL HERALDO in Spanish 14 Feb 94 p3)

According to the Honduran Central Bank Economic Studies Department, the wholesalers price index registered a 1.9-percent growth during the last quarter of 1993. It adds during all of 1993 the wholesalers price index increased an average of 12.7 percent more than the 10.1 percent of 1992. (San Pedro Sula LA PRENSA in Spanish 14 Feb 94 p3)

According to the National Plan for Human Development, there is a deficit in the housing sector in view of the increasing demand and high housing costs. Statistics supplied by the Honduran Chamber of the Construction Industry show the housing sector reached 11.3 percent in December 1993. (San Pedro Sula TIEMPO in Spanish 15 Feb 94 p2)

The Economic Cabinet, headed by Central Bank President Hugo Noe Pino, met with a delegation of the Inter-American Development Bank (IDB) On 14 February to assess IDB projects and learn about the new government's priorities. IDB representative Federico Alvarez explained this delegation will not establish investment or support programs, but that it is a job the Programming Commission will do. For his part, Planning Secretary Guillermo Molina said the projects portfolio is being reviewed to redefine the new government's priorities and aim them at the social sector, particularly the effort to fight poverty. (Tegucigalpa LA TRIBUNA in Spanish 15 Feb 94 p79)

Nicaragua

PSD Secretary General Killed; Police Arrest Alleged Killer

PA1502234994 Panama City ACAN in Spanish 2149 GMT 15 Feb 94

[Text] Managua, 15 Feb (ACAN-EFE)—Today, Tuesday, Nicaraguan Police arrested a young man identified as Giovanni Alejandro Gonzalez. He is the main suspect in the murder of Perfecto Gutierrez, secretary general of the Social Democratic Party (PSD), which occurred in Managua last night. According to police, the suspect, also known by the nickname "Gasparin," is approximately 16 years old and has a criminal record.

Up to now, neither the government nor the main political parties in the country, including the Sandinists, have condemned the murder of Gutierrez, who was 35 years old, married, and had three children. The politician, who was also an alternate PSD deputy—one of the seven

parties in the National Opposition Union—was hit by two bullets and killed when, while accompanied by a young woman, he was parking his vehicle near a school in the center of Managua.

Nicaraguan Deputy Government Minister Frank Cesar told reporters "the crime is being investigated," and advanced the theory that "everything seems to indicate" it was a common crime. "It seems the reason for the crime was theft," Deputy Minister Cesar stated. Cesar also belongs to the PSD, where Gutierrez was the secretary general.

At noon today, the National Assembly paid posthumous homage to the alternate legislator who was murdered last night, and demanded that authorities solve the case. Adolfo Jarquin Ortel, PSD president and deputy, stated: "We have not dismissed the possibility that Gutierrez was murdered for political reasons."

Jarquin and Gutierrez assumed the PSD presidency and secretary general's positions, respectively, after a PSD disciplinary court suspended Guillermo Potoy and Alfredo Cesar, respectively, from those posts.

Adolfo Jarquin heads the social democrat sector that favors constitutional reforms in the parliament. Potoy and Cesar head the faction that demands a constituent assembly. These differences in the PSD caused a schism between Nicaraguan social democrats. Leaflets have even appeared in Managua and other Nicaraguan cities recently wherein alleged "recontras" (rearmed former contras) accuse Jarquin's sector of being traitors.

Rebels Demand Presence of Cuadra, Obando y Bravo at Talks

PA1602020194 Managua LA PRENSA in Spanish 14 Feb 94 p 16

[Article by Roberto Orozco B. and Roger Suarez M.]

[Text] The 3-80 Northern Front [FN 3-80] is demanding the presence of poet Pablo Antonio Cuadra [LA PRENSA director] and Cardinal Miguel Obando y Bravo, or one of his representatives, in the demobilization talks to be held with the government, "Chacalin" [Salvador Talavera], who leads the armed men, told LA PRENSA today.

A meeting has been scheduled for today between FN 3-80 members and CIAV [International Support and Verification Commission]-OAS representatives. The meeting site and time will be agreed upon this morning.

Certain media versions are indicating the peace talks could be held in El Naranjo, Nueva Segovia Department.

The rebel leader know as "Martin Negro" [not further identified] has said they will present a nine-point document to be broached during the upcoming talks with the government.

He disclosed discreetly that among the petitions are the withdrawal of Army forces, the presence of Pablo Antonio Cuadra and Cardinal Obando y Bravo in the talks, and the delimitation of areas that could serve as enclaves.

Sergio Caramagna, CIAV-OAS chief in Managua, has said the presence of Army troops near the facility in which the negotiations are to be held could hinder the talks.

There is a tense calm particularly in the northern part of the country due to the deployment of Army troops since last weekend after an armed group led by "El Gato" [Francisco Rivera] ambushed a Land Cruiser belonging to Marcial Sevilla Garcia, a coffee producer. Police Officers Raul Palacio Navarrete, Rene Antonio Garcia, Holman Zelaya, and Denis Gutierrez were also riding in the vehicle.

One of the police officers died on 11 February, and Marcial Sevilla died the night of 13 February at Manolo Morales Aviles Hospital.

An FN 3-80 version says the police officers opened fire first against "El Gato's" men, who were in a house in the hamlet of Buena Vista, Somoto Municipality.

Despite what occurred, the FN 3-80 leaders appeared willing to negotiate their disarmament, citing their personal security as the main condition.

Rebel Leaders, Observers, Church Stress Success of Meeting

PA1602023294 Paris AFP in Spanish 0032 GMT 16 Feb 94

[Report by special AFP correspondent Lidia Hunter]

[Text] El Rosario, 15 Feb (AFP)—Rebel leaders and members of a mission of international observers and the Catholic Church have stressed the success of a meeting held Tuesday to begin the disarmament process of the 3-80 Northern Front, Nicaragua's principal armed group.

The meeting between guerrilla leaders and representatives of the peace mission, which consists of representatives of the International Support and Verification Commission of the OAS (CIAV-OAS) and the Catholic Church, took place in El Rosario, a village in Nueva Segovia Department in the northern part of the country, 2 km south of the Nicaraguan-Honduran border.

Both parties confirmed Army chief Humberto Ortega sent the rebels a message that presumably established the terms for their demobilization and subsequent integration into civilian life. The content of the document was not revealed to the press, however.

For its part, the 3-80 Northern Front gave the CIAV a document with its demands which consists basically of guarantees for physical security for the disarmament process.

The Peace Commission will give the document to the government. A new meeting will then be called on an as yet unspecified date, CIAV representative Sergio Caramanga has explained.

Both the Army and rebels have maintained a unilateral truce since last week to pave the way for the disarmament talks.

Caramagna said at the end of the meeting the objective of "exchanging proposals" had been achieved.

Esteban Talavera, one of the rebel leaders, said the participation in the talks of the 3-80 Northern Front's foremost leader, his brother Jose Angel Talavera, alias Chacal, was impeded by the strong presence of military troops in the region.

According to him, approximately 120 special Army troops were deployed to the region in the past few hours. This prevented Chacal from reaching the area. It is believed Chacal is in a region bordering Honduran territory.

The 3-80 Northern Front leaders reiterated their readiness to disarm without the political conditions they had established several months ago, including the resignation of Army chief Humberto Ortega and Presidency Minister Antonio Lacayo.

"We will insist on these demands in a civic struggle, because the political climate has improved in Nicaragua," Esteban Talavera said. As a goodwill gesture, Talavera released a soldier who was captured several days ago in fighting with the Army.

Roundup of Economic Developments

PA1502211294

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored through 15 February.

The Augusto Cesar Sandino Foundation (FACS) has announced the establishment of an $18 million revolving fund to promote development, create employment, and help the extremely poor become self-sufficient. The announcement was made by FACS President Edwin Zablah. Zablah added that 75 percent of the funds will be used to help Nicaraguan rural sectors. The programs promoted by the FACS are supported by organizations in Belgium, Canada, Norway, Australian, the UK, Denmark, New Zealand, the Netherlands, Finland, and the United States. (Managua BARRICADA in Spanish 9 Feb 94 p 4)

The Central American Bank of Economic Integration has made 22 million cordobas available to the Nicaraguan coffee growers to bolster the coffee industry. (Managua Radio Nicaragua Network in Spanish 1100 GMT 10 Feb 94)

National Coffee Commission President David Robleto Lang has told BARRICADA that the nation's coffee growers will fall short of their goal of producing 1.1 million quintals of coffee in 1994. Lack of funding and the situation in the northern region of the country will be contributing factors. Agricultural and Livestock Minister Roberto Rondon primarily blames the drop in coffee production on heavy rains; however, he does admit that a lack of funding is also a contributing factor. (Managua BARRICADA in Spanish 19 Feb 94 pp 1, 10)

The Nicaraguan Government's payroll will be reduced considerably in 1994. This was announced by Deputy Finance Minister Mirna Somarriba. The government plans to cut back jobs in areas such as public services. The cutbacks will affect approximately 9,000 workers. Several trade unions are opposing the reductions. (Hamburg DPA in Spanish 1540 GMT 13 Feb 94)

The Nicaraguan Government has defended the indefinite closure of its commercial borders to Costa Rican milk products because of Costa Rica's delay in granting sale permits for Nicaraguan rice. The decision was announced by Deputy Foreign Minister Jose Pallais. The closure of the commercial borders occurred on 27 January. Nicaragua buys approximately $400,000 a month in Costa Rican milk products. Meanwhile, Costa Rican Foreign Trade Minister Roberto Rojas said that the granting of permits for the import of Nicaraguan rice is the responsibility of the Costa Rican private sector. (Mexico City NOTIMEX in Spanish 0007 GMT 15 Feb 94)

Panama

Foreign Ministry Note Cites Antidrug Efforts

PA1502224094 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Feb 94 p A6

[Communique on text of Note D.M. No. 158/94 dated 11 February signed by Panamanian Foreign Minister Jose Raul Mulino and addressed to U.S. Ambassador Deane R. Hinton]

[Text]

Communique

Regarding publications by local and international news media on statements issued by a State Department official pronouncing the national government has not made efforts to fight the laundering of drug-trafficking money, the Foreign Ministry would like to make public the note sent to the U.S. ambassador by Foreign Minister Jose Raul Mulino, as follows:

"Note D.M. No. 158/94

11 February 1994

Mr. Ambassador:

I have the honor of addressing Your Excellency in reference to public statements by a State Department official named Robert Gelbard to the effect that our government has not made any efforts to fight the laundering of drug-trafficking money. Our government

rejects strongly these statements in view that serious and decided actions to fight these crimes have been taken since 1990.

I list hereunder the main actions our government has taken regarding the fight against drug trafficking.

1. The Executive Branch on 23 September 1993 presented to the Republic of Panama's Legislative Assembly the draft bill to approve the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances adopted in Vienna on 28 December 1988, which was approved as Law No. 20 dated 7 December 1993 and was published in Official Publication No. 22,429, dated 9 December 1993.

2. The Mutual Legal Assistance Treaty on Drug Trafficking signed between the Republic of Panama and the United Kingdom of Great Britain and Northern Ireland on 1 March 1993 was discussed by the Legislative Assembly's Foreign Relations Commission during a first debate. It is pending approval in the next session that is due to begin on 1 March.

3. On the occasion of the 14th Meeting of Central American Presidents held in Guatemala City between 28 to 29 October 1993, the Mutual Legal Assistance Treaty for Penal Affairs between Central American countries and Panama was signed. In addition, the Constitutive Agreement of the Permanent Central American Commission for the Eradication of the Production, Traffic, Consumption, and Illicit Use of Narcotic Drugs and Psychotropic Substances was also signed.

4. The Republic of Panama and the Republic of Colombia signed the following bilateral agreements on 19 November 1993.

4.1 Agreement on Mutual Legal Assistance and Judicial Cooperation.

4.2 Agreement on Mutual Legal Assistance With Relation to the Illegal Trafficking of Narcotics and Psychotropic Substances.

4.3 Agreement on Measures to Prevent Diversion of Chemical Precursors and Essential Substances.

5. From 31 January to 4 February, Panamanian and Canadian delegations held talks on the projected mutual legal assistance treaties on drug trafficking and related crimes, treaties that are to be signed between the two countries.

6. Now that the Governments of Panama and Mexico have expressed their intent to conclude a mutual legal assistance treaty, it remains for the two governments to set a date for opening negotiations leading to the signing of such a treaty.

7. As part of the actions and goals that the Panamanian Government has outlined to combat drug trafficking and related crimes, strategies have been devised to reduce the risk of our economy and banking center being used for money laundering. National strategies have been devised for general prevention policies through the community, specifically, through the mass training of primary, secondary, and university students. In addition, a National Documentation Center, attached to the Attorney General's Office, has been created to coordinate general meetings on the rate and prevention of drug use. Specialized training programs aimed at government employees, civic club members, and private enterprise personnel have also been developed.

8. More and more prevention programs have been developed through the National Commission for the Study and Prevention of Drug-Related Crimes, Conapred, an interinstitutional commission created by Law No. 23, dated 20 December 1986. This law, better known as the Drug Law, also provides the necessary juridical structure to punish anyone who one way or another participates in money laundering.

Of a similar nature is Decree No. 41 of 1990, which stipulates the banks' duty to properly identify their clients and require that they make any necessary statements to certify the origin of their deposits or the destination of cash withdrawals exceeding $10,000. This decree has been augmented by National Banking Commission rulings aimed at checking the use of our banking center for activities related to drug trafficking. Furthermore, important meetings with high-level representatives of your government were held in our country in 1993 to devise joint strategies that make it possible to expand our working capability in this important sphere of our economic activities. High-level officials of the Panamanian Government have participated in these meetings as evidenced by our willingness and interest as a government.

9. The Attorney General's Office, in an effort to strengthen actions executed by the Specialized Secretariat for Drug Related Crimes, investigation agencies, and the Technical Judicial Police (PTJ), has established an office specializing in drug related crimes in every district. The assistant secretariat offices carry out raids and other proceedings as part of investigating drug related crimes. Their work is evident from one end of the country to the other.

10. The Attorney General's Office has also organized an Information and Audiovisual Resource Center for drug related problems; it operates under the Attorney General's Office. The center has the latest information on drug addiction, which negatively affects elementary, high school, and university students throughout the country. The center also offers aid and support, with specialized audiovisual and technical material, to the Catholic Church and other churches established in the Republic of Panama that have plans for the prevention and eradication of drugs in our country.

11. Within the policy to strengthen the fight against drugs and drug trafficking, the Attorney General has submitted a bill with reforms to current legislation on drugs to the

Legislative Assembly. The Attorney General has said the bill reorganizes crimes dealing with international drug trafficking; incoporates aggravating circumstances concerning the purchase, sale, or transfer of drugs; regulates surveillance procedures during drug deliveries and covert operations; and creates two district attorney's offices specialized in drug related crimes, with authority and jurisdiction throughout the country.

12. The actions carried out by government authorities in charge of preventing drug related crimes have resulted in the seizure of many thousands of kilograms of cocaine, marijuana, methamphetamines, and bazuko, and over $7 million in cash, presumably for laundering through our banking center. As a result of these actions, more than 400 persons of different nationalities have been arrested and legal action has been taken against them.

In addition, our government has agreed to continue working with Your Excellency's government in everything relating to cooperation by U.S. Government agencies to our national authorities so that, based on Panamanian legal procedures, the latter can successfully carry out operations to confiscate drugs in different sectors of our country. We also hope to strengthen our National Air Service so it can work to destroy alleged coca plantations in the Darien area—a necessary effort to prevent cocaine production in our territory.

I reiterate my concern for the inexplicable delay which your country's Senate has suffered in ratifying the Mutual Legal Assistance Treaty for Criminal Affairs signed by the two countries in April 1991 and approved by our Legislative Assembly in Law 20 on 22 June 1991. All these years of delay by the U.S. Senate in ratifying this important legal instrument, undermines the authority of your government officials to criticize the collaboration that the Government of the Republic of Panama undertakes with your and other countries to fight drug trafficking.

The fact that the limitations we face in fighting this deadly scourge are real and, oftentimes, affect the results surely does not escape Your Excellency's enlightened criteria. It is unacceptable, however, for U.S. officials to express criticisms that do not seriously reflect the real attitude and will of the Panamanian Government in fighting this powerful, international criminal network. Not even in the United States, despite all its resources, has the enormous consumption of drugs been effectively controlled; however, this real impossibility is not an excuse for merrily saying that the U.S. Government is not tirelessly working to fight the consumption and traffic of narcotics.

I hope and trust, Mr. Ambassador, that the entire contents of this letter will be conveyed to the corresponding authorities of your country with the aim of clarifying our position and expressing our strong rejection of such irresponsible statements which undermine the good name of our country.

I take advantage of this opportunity to reiterate to Your Excellency my highest esteem.

[Signed] Jose Raul Mulino, foreign relations minister

To Your Excellency Deane R. Hinton, ambassador of the United States of America.

Roundup of Economic Developments

PA1502214194

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 15 February.

Panama Stock Market Manager Roberto Brenes has disclosed to LA PRENSA that transactions on the domestic stock market amounted to approximately $203 million in 1993. Brenes explained that this figure surpassed expectations by more than $50 million. (Panama City LA PRENSA in Spanish 9 Feb 94 p 11A)

In its preliminary assessment of regional economies, the Economic Commission for Latin America (ECLA) reported that during 1993, Panama maintained its trend toward growth (5.5 percent) but at a slower pace than in the previous two years. According to the report, Panama's economic expansion was attributed to active investments and, to a lesser extent, on consumption which showed a moderate increase. The construction sector registered a growth of nearly 40 percent. Farm production dropped because of a reduction in the harvest of plantains, sugar, and tobacco. The ECLA report added that unemployment dropped from 13.6 percent in 1992 to 12.4 in 1993. (Panama City LA PRENSA in Spanish 9 Feb 94 p 11A)

Agricultural Development Minister Cesar Pereira Burgos has reiterated that the closing of silos to the Melo, Fidanque, and Toledano poultry firms for an indefinite period of time is due to their alleged illegal import of 50,000 quintals of corn from the United States. Last Monday, President Guillermo Endara expressed disagreement with this corn import, ordered the closing of the silos, and banned the unloading of soy beans from a ship that docked at Balboa port. (Panama City LA PRENSA in Spanish 10 Feb 94 p 2A)

A Canadian-Panamanian mining consortium will invest more than $300 million in the exploitation of a "polymetallic" mine whose reserves are estimated at $20 billion. Such a project will generate more than 3,200 direct jobs during its full period of activity. The Cerro Petaquillaa project, located in Colon Province, is in the exploration process and is being carried out by Minamerica Corp. jointly with Adrian Resources Ltd. of Ontario, Canada. (Panama City ACAN in Spanish 1548 GMT 13 Feb 94)

Argentina

Efforts To Convince Angeloz To Sign Fiscal Pact Viewed

PY1502205494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1918 GMT 14 Feb 94

[Text] Buenos Aires, 14 February (NA)—The national government will again seek to convince Cordoba Province Governor Eduardo Angeloz to sign the fiscal pact. The government will offer him the possibility of reactivating Cordoba's Military Aircraft Factory (FMA) through a substantial investment.

Apparently, the idea that Angeloz will finally agree to sign the pact became of paramount importance at the moment of defining which enterprise will be chosen within the framework of the bid opened by the Defense Ministry to modernize the 36 Skyhawk A4M planes.

Although the Smith Industries company had signed a letter of intent (and already charged $3 million to replace hoses and repaint the 36 planes that had been idle in the Arizona desert), the U.S. Lockheed company was chosen.

The government chose this company in view of the financing it offered for the payment of the loan, which include two years grace and the possibility of having Argentine and U.S. experts repair 18 of the 36 planes at the factory in Cordoba.

As a result of this important investment at the Cordoba plant, Argentina will have more possibilities of winning the bid opened by the Vought company in the United States for the manufacture of the Pampa 2000 planes.

This is not improbable because the Vought lobby [preceding word in English] in Washington represents the interests of the U.S. Pratt and Whitney companies, as well as the well-known Allis Signal company.

AMBITO FINANCIERO published on 14 February that the Bell company is also interested in manufacturing helicopters in the facilities of Cordoba's FMA. Thus, a civilian-military aeronautic center of strategic importance for Latin America would be created in Cordoba.

The Air Force will not object to the participation of the Lockheed Aircraft company in the project because it will attract large benefits for the FMA. Initially, however, the Air Force favored the Smith Industries company in view of its work in New Zealand and Kuwait.

Furthermore, this will give the Argentine Government an excellent tool to convince Angeloz of the "advantages" that signing the fiscal pact would represent for Cordoba.

Cordoba Governor Wants To Run in 1995 Presidential Race

PY1502133994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2233 GMT 14 Feb 94

[Excerpt] Cordoba, 14 Feb (NA)—Cordoba Governor Eduardo Angeloz today confirmed that he wants to become a presidential candidate for the Radical Civic Union [UCR] in 1995 "if the party accepts it and if all the instrumental steps that I want to impose are accepted by the party."

Angeloz denied press reports in which he allegedly conveyed to President Carlos Menem his decision to give up his presidential candidacy. Angeloz explained: "This confusion is not good for our country or anyone. I am the one who, depending on my mood, will have to decide in due time if I feel like becoming a candidate."

Concerning the possibility that Senator Fernando de la Rua might actually become the UCR candidate, the governor said: "In due time we will see who is in a better position to represent the UCR."

Angeloz later stressed: "There will not be any internal rift within the UCR," although he admitted "the existence of acute, hard, and hostile disagreements. The party will remain unchanged." [passage omitted]

Brazil

Commentary Foresees 'Tough' Trade Talks With U.S.

PY1502173494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 94 p A3

[Commentary from the "Notes and Information" page: "A Longstanding Misunderstanding"]

[Text] This will be an important week for Brazil to get a clear idea as to how its relations with developed countries, especially the United States and Germany, will go. It is true that for many in Brasilia there are other issues of greater strategic significance, such as the community of Portuguese-speaking countries. This idea, which was conceived by Ambassador Jose Aparecido, was put into motion on the evening of 10 February at a dinner hosted by President Itamar Franco and attended by representatives of Portuguese-speaking countries from this continent and abroad. Similarly, the Workers Party [PT] does not consider Foreign Minister Celso Amorim's trips to Washington and Bonn to be important. The hints given by PT candidate Luis Inacio Lula da Lula to Japanese businessmen about his foreign policy lead one to believe that he is going to seek to replace trade and economic relations with the United States with stronger ties with Andean Pact member countries. The prevailing idea in other parties is that foreign policy is for experts! These are strategic options, although strange ones!

It is within this backdrop of "circumstances" that Amorim will be telling the Americans that Brazil is neither engaging in unfair trade practices nor failing to protect intellectual property rights, and the Germans that Brazil is not planning to tread the path of nuclear proliferation. In Bonn, Amorim's task will be easier in light of the Senate's approval of the agreement with the International Atomic Energy Agency (IAEA), which will allow him to ask for "time" for the Brazilian Senate to approve the amendments to the Tlatelolco Treaty. In Washington, however, his task will be tough—and the public must be prepared for a possible failure of his mission that will affect the steel, paper, cellulose, and orange juice industries.

In his negotiations with the U.S. trade representatives, Amorim will certainly try to undo some old knots stemming from mutual misunderstandings, misinterpretations, unwarranted jingoism, missionary concepts dating back to the time of the gunboats, and dollar diplomacy. The U.S. administration must tell the U.S. Congress whether U.S. commercial interests are being respected in Brazil, while the Brazilian foreign minister will seek to persuade his U.S. counterparts that the Brazilian Government has adopted a foreign policy that in many cases displeases the White House and the State Department because it also has national interests to protect. For a government that administers a GDP totaling trillions of dollars, it should not be hard to understand that in a country administering a GDP that amounts to a few hundred billion dollars, the concepts of "commercial" and "industrial" are often confused with the concept of "national." In fact, last week President Clinton was able to note that this confusion exists even in Japan. All things considered, however, the U.S. pressure stems primarily from the fact that in Washington there is also confusion about what is national and what is related to the private economic sector. Looking at things coolly, Amorim may have been able to succeed in his efforts had it not been for the many years of frequent misunderstandings we have mentioned earlier.

In addition to other issues that are rather delicate but not relevant, the Brazilian-U.S. dispute today revolves around the patent draft law being studied in the Senate. We have time and again said that had it been voted on on time, many of the U.S. complaints would have been avoided. The irony of the whole story is that the government of Itamar Franco will have to endure the consequences of something for which it cannot be held responsible (except for the laxity that has become its trademark): It was during the tenure of Senator Fernando Henrique Cardoso as foreign minister that the executive branch made every possible effort to make the Chamber of Deputies pass the patent law. The law includes points upholding Brazilian interests that are unacceptable to U.S. pharmaceutical lobbying groups. Amorim and Mickey Kantor, the U.S. trade representative, will have their hands tied by that intangible thing known as "national interest," which is always present in diplomatic and commercial negotiations. An understanding would be in the best interests of security in the hemisphere, but unfortunately this is not the way things are seen in Washington and Brasilia. We should thus prepare for a courteous but tough dialogue that might yield predictable but undesirable consequences.

Government To Comply With Missile Control Pact

PY1502133794 Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 94 p 3

[Article by Raquel Stenzel from Brasilia]

[Text] The Brazilian Government is willing to comply with the Missile Technology Control Regime (MTCR) guidelines. In an official document, the government admitted that the implementation of the MTCR guidelines does not imply any sort of limitation on special national programs or harm international cooperation in such programs. In addition, the government commits itself to complying with export control rules compatible with the MTCR guidelines as soon as draft bill No. 2535/92 takes effect.

This decision, which was announced 11 February, befits the efforts made by the Brazilian Government in the last few weeks to show the international community that the country is contributing to preventing the proliferation of weapons of mass destruction and that its nuclear and aerospace programs have strictly peaceful objectives. Thus, the government believes it has taken one more step toward obtaining sensitive technology.

Chamber of Deputies President on Legislative Situation

PY1502153294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Feb 94 p A8

[Interview with Chamber of Deputies President Inocencio Oliveira, Liberal Front Party-Pernambuco State, by Joao Domingos in Brasilia; date not given]

[Excerpts] [Domingos] Some of the 16 congressmen who will be stripped of their political rights by the budget CPI [Congressional Investigating Committee], like Ibsen Pinheiro, are your friends. Will you vote in favor of stripping him of his political rights?

[Oliveira] I will not have any misgivings in voting in favor of stripping anyone of his or her political rights. At this moment, not a single congressman can have this type of misgiving. A congressman must act according to his or her conscience, in keeping with the superior interests of the Brazilian nation. If the Constitution and Justice Committee decides a congressman is guilty, its judgment will be very important for the plenary's guidance.

[Domingos] Don't you fear that the Chamber of Deputies will take a corporatist attitude and save guilty congressmen from being stripped of their political rights?

[Oliveira] In my opinion, if the legislative branch's credibility is jeopardized we must take this jeopardy into

account so that we vote in defense of the institution. I currently note that corporatism in the Chamber of Deputies, a weakness attributed to our branch to allegedly defend certain people, is not merely being aimed at a given congressman, but at our institution.

[Domingos] Concerning the approval of a pardon for the farmers who owe money to the Bank of Brazil, wasn't this a demonstration of corporatism, headed by the rural bloc?

[Oliveira] In my opinion, the pardon was an exceptional vote. When it was voted on, many voted without an in-depth discussion of this issue. Therefore, we took a position: Not a single bill scheduled for urgent discussion will be voted on during the same session, but within 24 hours so that all congressmen can become familiar with the issue they are discussing and voting on. Now it is up to the Senate to play its role, that is, to review the Chamber of Deputies' work. Therefore, we are calm because the legislative branch's work is not completed by merely voting. If any changes are made in the Senate, the bill will be returned to the Chamber of Deputies and then it will actually be discussed thoroughly. [passage omitted]

[Domingos] How would you describe the events experienced by the legislative branch in our country?

[Oliveira] I believe the legislative branch in Brazil is experiencing one of the most difficult periods in its history. Therefore, it is necessary to be aware that, at this moment, it is essential to place the institution's interests above party or personal interests or any other type of interests. We are making a huge effort to demonstrate to our fellow congressmen that this time requires everyone's sense of responsibility. The Chamber of Deputies president's or the Senate president's responsibility is even greater because, as branch heads, their contribution to democracy must be greater.

[Domingos] Why are you saying that this is the legislative branch's most difficult period?

[Oliveira] It is the most difficult period because the legislative branch, which is dissecting itself, investigating itself, and will punish itself, is a branch that is experiencing a huge trauma. The legislative branch may learn some lessons from this trauma and it may be strengthened in the end because it will become a branch with moral authority and credibility. During the three months of the budget CPI's operation the country was immobilized. Everything in this country revolves around the legislative branch. During the CPI's operation, the branch that discussed the major domestic problems was the branch that headed society's discussions. This branch cannot remain stagnant. We are acting in a different way than Italy, for example, where the Clean Hands Operation is being conducted by the Attorney General's Office and the judicial branch. In Brazil, this operation is being conducted by the legislative branch itself.

Differences Between Lula, PT Programs Viewed

PY1502202894 Rio de Janeiro O GLOBO in Portuguese 14 Feb 94 p 3

[Text] The Workers Party [PT] national board has postponed until 17 February the meeting to debate the 15 controversial points of the party's government program. Presidential candidate Luis Inacio Lula da Silva and the party's bloc of federal deputies will also participate in the meeting. Here is a list of the issues on which Lula particularly disagrees with the PT program:

Privatization

PT proposal: To end the National Privatization Program (PND) and review some sales already made.

Lula's proposal: To view the privatization of nonstrategic state- owned companies. To preserve current monopolies but open them to participation by the private sector through risk contracts and sale of shares.

Foreign Debt

PT proposal: To adopt unilateral measures, such as suspending the foreign debt payment followed by an audit. In other words: Moratorium.

Lula's proposal: To renegotiate the foreign debt. He believes a government that wants to negotiate cannot declare a moratorium. Trade debts will be honored. The foreign debt will be handled from the political viewpoint and not from the economic and financial one.

Anti-Inflation Policy

PT proposal: To postpone the choice of anti-inflation policy tools until the conjuncture of problems inherited from the previous administration is defined and identified.

Lula's proposal: To socially control inflation through negotiations by sectorial groups. To gradually reduce inflation instead of implementing shocks, seeking to suddenly reduce monthly rates from 40 percent to 0.9 percent.

Domestic Debt

PT proposal: To convert the domestic debt into bonds, thus suspending the pact for automatic repurchase of public bonds.

Lula's proposal: To negotiate a rescheduling of the domestic debt. Contracts will not be unilaterally broken.

Foreign Trade

PT proposal: To end the policy of mega-trade surpluses and to stimulate the domestic market growth by creating a market of the masses.

Lula's proposal: To concurrently export and create a market of the masses are not opposing models. The goal

is to strengthen the domestic market, but without hindering the level of exports. This would become possible through an overall increase in production.

Foreign Investment

PT proposal: To channel foreign capital into productive investments.

Lula's proposal: Foreign investment will return to the country as a result of economic stability. The government must be credible if it is to attract foreign investment to the productive sector.

Agrarian Reform

PT proposal: To settle one million of families over the next five years. Sugar mill owners land will be negotiated in exchange for their debt to the government.

Lula's proposal: To implement an agrarian reform and settle one million families over the next five years. The process, however, will have to be accompanied by an agricultural policy aimed at stimulating small farmers and cooperatives.

PT Crisis Said To Hide Electoral Interests

PY1502000094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Feb 94 p A10

[Article by Joao Domingos]

[Text] Brasilia—The beginning of the constitutional reform has caused a crisis in the PT [Workers Party] that hides a dispute for the control of the electoral campaign of virtual PT presidential candidate Luis Inacio Lula da Silva. Since the Congressional Investigating Committee that was looking into irregular handling of the budget ended its work and the constitutional reform became the most important congressional activity, PT congressmen have been disputing with the PT national board that last year forbade the PT bloc to participate in the reform.

Deputy Paulo Delgado (MG) [Minas Gerais] said: "We represent the party and the people. To believe that our mandate is only granted by the party is a way of going against the will of the voters." Some of the PT congressmen interested in participating in the revision suspect that the national board's prohibition, which is strongly influenced by the radical faction, disguises interests about the October elections.

According to this suspicion, if the PT's moderate faction did not participate in the reform, they would lose votes among voters who do not belong to the PT. The prohibition, however, would not affect their rivals, who are habitually elected with the support of the orthodox groups. A manifesto against the board's decision was drafted by 19 of the 37 PT congressmen last week. The rebellious congressmen evaluated the possibility of breaking with the party leadership, but Deputy Jose Fortunatti (RS) [Rio Grande do Sul] who leads the PT bloc prevented this from happening.

After two weeks of negotiations, Fortunatti convinced the PT leaders on 8 February to allow the congressmen to participate, at least, in the session in which the Social Emergency Fund (FSE) had to be approved. A meeting has been scheduled for 17 February. The PT moderate faction hopes that during this meeting the bloc will be definitively authorized to participate in the reform.

One of the objectives of the radical PT members seems to be to isolate Dep. Delgado and three other deputies: Jose Genoino (SP) [Sao Paulo], Eduardo Jorge (SP), and Joao Paulo (MG). These four deputies comprise the faction that is firmly engaged in negotiating PT alliances with several other parties for the October elections.

The radical faction tried to prove that the moderate faction was opposing the party's code of ethics, but they could not. Genoino refuted: "We have given the leadership a possibility of overcoming the situation. By preaching a thorough boycott of the reform, the PT leadership started a war without solution."

The moderate faction congressmen believe that if they had been allowed to participate in the reform from the beginning, they would have been able to ensure decisive support for their proposals in the plenary sessions. Genoino added: "We were so late in joining the battle that we handed the Brazilian Democratic Movement Party and the Brazilian Social Democracy Party to the Liberal Front Party and the Progressive Renewal Party on a platter."

Some of the issues being debated in relation to the FSE, such as the article that ensured allocation of funds to education, were of interest to the PT. When the party decided to take an active part in the session in which the FSE was voted on, there was little to do because negotiations among parties had already concluded. "We were losing the game 10-1 and there was no more time to make a goal," Fortunatti said.

The Split

The crisis between the PT and its bloc in Congress, which resulted from the constitutional reform, divided the party into three different groups:

Against—Those who do not accept participating in the constitutional reform:

Adao Pretto (RS)
Agostinho Valente (MG)
Jacques Wagner (BA) [Bahia]
Jose Cicote (SP)
Luci Choinacki (SC) [Santa Catarina]
Maria Laura (DF) [Federal District]
Sandra Starling (MG)
Tilden Santiago (MG)

Undecided—Those who criticize the party's position, but do not take sides:

Alcides Modesto (BA)
Aloizio Mercadante (SP)

Carlos Santana (RJ) [Rio de Janeiro]
Florestan Fernandes (SP)
Haroldo Saboia (MA) [Maranhao]
Jose Dirceu (SP)
Paulo Rocha (PA) [Para]
Raul Pont (RS)
Valdir Ganzer (PA)
Vladimir Palmeira (RJ)

Support the Reform—Those who criticize the authoritarian attitude of the party's leadership:

Benedita da Silva (RJ)
Chico Vigilante (DF)
Eden Pedroso (RS)
Edesio Passos (PR) [Parana]
Eduardo Jorge (SP)
Eduardo Suplicy (SP)
Helio Bicudo (SP)
Helvecio Castelo (ES) [Espirito Santo]
Irma Passoni (SP)
Joao Paulo (MG)
Jose Fortunatti (RS)
Jose Genoino (SP)
Lourival Freitas (AP) [Amapa]
Luiz Gushiken (SP)
Nilmario Miranda (MG)
Paulo Bernardo (PR)
Paulo Delgado (MG)
Paulo Paim (RS)
Pedro Tonelli (PR)

* PT Rapprochement Efforts Toward Military Viewed

* Junior Officers Receptive

94SM0211A Brasilia CORREIO BRAZILIENSE in Portuguese 4 Jan 94 p 2

[Commentary by Ruy Fabiano: "PT Seeks out Military"]

[Text] The high command of the PT [Workers Party] is solidly mobilized in search of something it calls a "new power pact." The starting point for that pact is a genuine rapprochement with the Armed Forces (which still fear the party's leftist talk) and with businessmen of a more progressive bent. The party wants to break down its political isolation.

Dialogue with the PSDB [Brazilian Social Democracy Party] has helped the party move in that direction. The PT now has stable channels of communication with the FIESP [Sao Paulo State Federation of Industries] and the PNBE [National Board for Entrepreneurial Bases]. But that is still not much. Dialogue with the military is still arduous, distrustful, and unproductive.

Actually, the PT is faced with a dilemma: it needs the stigma of the accursed in order to win the election, especially among the working masses and young people, but it needs to free itself of that same stigma in order to take power and govern. How can it maintain the proper balance between those two needs? A little theater obviously helps—something for which the party's leaders have shown a fair amount of talent—but the party needs to establish channels of communication with the conservative world. The Armed Forces are part of that universe. And there is no possibility of governing without them.

Although it is more supportive on the pay issue than any other party in the country—and pay is currently a priority issue among the military—the PT continues to be seen as a potential enemy. The formulators of the party's policies—the intellectually most qualified cadres, who are in charge of thinking out strategies and recommending alliances—attribute that distrust to the ideological conditioning of the past. The Brazilian military, or at least a considerable number of their top leaders, still cling stubbornly to principles and fundamental ideas dating back to the days of the Cold War, when the ideological split between Left and Right guided and decided questions of power.

With the dissolution of the Soviet Union and the end of Brazil's automatic alignment with the United States, there was no longer any reason to view Brazilian leftists as enemies. The issues currently of concern to the Brazilian military are the exact opposite of those in which the United States is interested: the internationalization of the Amazon Region, for example, or the abolition of Armed Forces in the Third World countries by turning them into nothing more than antidrug police forces, while the United Nations (an agency under the command of the United States) takes responsibility for the security of those countries.

If it were up to the younger officers in the Army (and possibly those in the other two services: the Navy and the Air Force), a rapprochement with the PT would be easier. The younger officers, being less committed to the ideological commitments of the past, are more receptive to the PT's message, especially on the pay issue and the issue of cleaning up political morals. The military, most of whom are recruited from the middle class, have always been sensitive to moralistic rhetoric.

It was with the middle class that the old UDN [National Democratic Union] under Carlos Lacerda and Afonso Arinos mobilized the Armed Forces against Getulio Vargas in 1954 and against "Jango" [Joao Goulart] in 1964. And the current UDN, at least as far as its role as defender of morals and good political behavior is concerned, is undoubtedly the PT. It is true that there is less verbal brilliance and a substantially lower IQ, but the script is the same. With due allowance for talent and performance, Senator Suplicy is a PT version of Carlos Lacerda.

In short, the party is placing its bet: once ideological prejudice has been overcome, it will be possible theoretically to seal a power pact with the military.

* Senior Officer Remarks on Article

94SM0211B Brasilia CORREIO BRAZILIENSE in Portuguese 6 Jan 94 p 2

[Commentary by Ruy Fabiano: "The Military and the PT"]

[Text] Regarding the article that appeared here the day before yesterday ("PT Seeks out Military"), an important Army officer who occupies a post at the top of the hierarchy but whom I prefer to keep incognito (let us therefore refer to him only as "the source") has made some enlightening remarks to this column.

The article mentioned the efforts of the PT—the party favored by the polls to win the presidential election—to draw closer to the military. And it said that the greatest resistance to the party was to be found in the upper echelons, where there was more ideological prejudice, whereas a fair amount of receptiveness existed among the younger officers (captains, majors, and so on). That is not the way things are, according to the source.

When the Cold War ended, the Armed Forces began to cultivate a new kind of behavior with regard to the ideological issue. It is obvious that such a change does not take place overnight. Complete assimilation takes time, and it is natural that within the military, the values that were a part of their training for decades should continue to exist for some time. Meaning, in this case, anticommunist ideology.

But, the source says, the essential point is that for all intents and purposes, the ideological issue among the military is no longer an institutional issue or, much less, a national security issue. It is an individual matter to be decided by the soldier and his own conscience as a citizen. Everyone has his own opinion regardless of his professional duties. The point—and this is something that the source considers important and in conflict with what we said in this column—is that resistance to breaking down deep-rooted ideological prejudices is in fact greater among the younger officers.

The older officers are the ones who have shown the greatest flexibility and understanding regarding the need for political coexistence with pluralism. And in any case, that split between younger and more mature officers does not in fact lead to any duality in thinking and/or behavior. Within the military, as is natural in any institution governed by a rigid hierarchical system, the feeling of unity and cohesion is what prevails.

The directive from above, and it is not being challenged at any level, is simply this: the winner of the election in October, be it the PT, the PCdoB [Communist Party of Brazil], or any other party, will take power and govern normally. According to the source, that bias toward legality dates back a long way in the Armed Forces. The source says that even the Movement of 1964 was not exclusively military. He points out that "Jango" was deposed by Congress, which supported all of the initial actions (including the revocation of political rights) leading up to the election—also by the congressmen—of Castello Branco.

According to the source, the break with the process did not come about until 1968, and then it occurred in a radicalized context of urban guerrilla warfare. But that is another story. Let us get back to the PT. The party today is preparing to take power, being confident that it will win the election. The source says that the initial dialogue has been taking place through the more mature officers. Lula's first contact with the officer class occurred at the start of the redemocratization process, when he spoke to students at the Army Command and Staff School.

The source recalls that his speech was arranged by generals, but that the generals encountered resistance precisely among the students (majors, lieutenants, and so on). Dialogue is continuing today, and it is not by chance that the PT is advocating changes in the constitutional area that are pleasing to the military. And it is prepared to quadruple the Armed Forces budget if it wins the election. It should be emphasized that the military have been very reserved in that dialogue.

Chile

Congress Approves Presidential Term Reduction to 6 Years

PY1402142294 Madrid EFE in Spanish 1716 GMT 13 Feb 94

[Text] Santiago, 13 Feb (EFE)—The Senate and the Chamber of Deputies, during a joint session, today approved a constitutional reform reducing the presidential term in Chile from eight to six years.

The uneventful approval of this reform by 120 votes to six, with one abstention, allows President-elect Eduardo Frei Ruiz-Tagle to take his oath for a six-year term on 11 March. Chile thus returns to the traditional six-year presidential terms that was applied until the coup d'etat of 11 September 1973.

The Constitution promulgated by the military junta in 1980 approved an eight-year term, which Frei described as "too long."

A four-year term without reelection was approved for President Patricio Aylwin, but an agreement was finally reached to reinstate the traditional six-year terms.

To approve this constitutional reform, the opposition and the ruling party had to vote together to comply with the high quorums required to introduce any change in the Constitution that was bequeathed by the military regime.

The session of the so-called Plenary Congress began shortly before noon after a brief two-minute delay, even though most legislators are on their summer vacations.

The minimum quorum required was met with 114 of the 166 legislators in attendance.

Those who voted against the reform were three conservative National Renewal Party deputies, one Independent Democratic Union deputy, dissident Socialist Party legislator Mario Palestro, and Senator Ronald McIntyre, who represents the Navy's stance and was not elected but appointed by former dictatorial President General Augusto Pinochet.

Aylwin, Menem Dedicate Neuquen-Concepcion Oil Pipeline

PY1602023494 Santiago Radio Cooperativa Network in Spanish 2200 GMT 15 Feb 94

[Relay from Concepcion by Manuela Robles]

[Text] The key points of the speech by President Patricio Aylwin during a luncheon at the Araucano Hotel, in Concepcion, following the dedication of the oil pipeline between Neuquen [Argentina] and Concepcion [Chile] dealt with strengthening the historic friendship between the two countries and solving controversies through agreements and the law. The inauguration of this new project is highly significant from the integration and economic viewpoint.

On this occasion the Chilean chief of state said:

We may have differences because brothers and friends are not obliged to always share the same interests or think alike. But we know how to overcome our disagreements by searching for agreements or through procedures established by law for peaceful solutions that will be mutually beneficial.

President Aylwin said that this is the path we have always taken.

Argentine President Carlos Menem, in turn, thanked God for allowing him to participate in this event. He praised Aylwin and said that the Chilean people were marvelous. He also referred to the Argentine bible, the gaucho bible, saying: As I was telling Patricio, in Argentina we have another bible, the gaucho bible entitled Martin Fierro by author Jose Hernandez that in one of its paragraphs, probably paraphrasing God, says: one of the first rules is that brothers should remain united because if they fight among themselves they will be devoured by others.

President Menem also voiced his hope that this climate of understanding and unity shared by Chile and Argentina will continue during the next Chilean administration, which will be Peaded by Eduardo Frei. He noted that history has been very generous with the two countries that this is the challenge they face in the future.

* Investigations Police Establish Financial Crimes Office

94SM0201A Santiago LA NACION in Spanish 13 Jan 94 p 2

[Article by Gabriel Freire]

[Excerpts] Last Tuesday the director of the Investigations Police, Nelson Mery, announced the formation of the National Financial Crimes Office. The reasons the police chief cited are quite simple. During 1992 the Economic Crimes Brigade received 3,000 investigation orders and, with great efficiency, recovered 818 million pesos. In 1993 the number of investigation orders issued by the courts did not change much, reaching 3,100. But over 2.66 billion pesos were recovered. This means that the huge amounts stolen through fraud had multipled by a factor of at least three.

Not only did the numbers grow, but so did specialization and the use of advanced technology to falsify public documents and instruments, not to mention the new and infrequently reported cases of computer fraud.

In Mery's report on Tuesday, he said that Bridec [Economic Crimes Brigade] "is a unit that has shown a great increase in efficiency during this period. Crimes like robberies with intimidation or crimes involving bloodshed generally have a much greater impact on public opinion. But white-collar criminals cause considerable damages to the state, to development projects that the state has to finance, and to workers who are victims of fraud and swindling." [passage omitted]

A few years ago, Bridec operated only in Santiago. Today it has units in all regional headquarters, the result, a high-ranking police official said, of "the difficult changes in the Chilean economy."

Money laundering is always directly related to drugs, but it is an eminently economic crime, for this "black" money comes not only from drugs, but also from tax evasion, arms trafficking, and hundreds of lesser crimes that produce dirty money that needs to be laundered.

To counter this new scourge while waiting for Parliament to enact legislation, the Investigations Police began to work on it a year ago.

Police experts from the Antidrug Brigade and from Bridec who will be working under the coordination of a team of attorneys from the State Defense Council have taken courses to upgrade their skills in England, the United States, Germany, and Italy.

Six officers, including police officers with accounting degrees, are also in contact with foreign police agents who are experts in money laundering. They will also have the direct support of the FBI office that is to be set up in Chile, as well as of the U.S. DEA [Drug Enforcement Administration].

Chile's prospects for preventing economic crimes seem favorable. This is no place for people who want to pursue their base designs of swindling their fellow citizens. As Nelson Mery said, "No matter who they may be, they will end up in jail." [passage omitted]

Colombia

Gaviria Addresses State Council on 'Controversy'

PA1602022394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Feb 94

[Report by Darcy Queen; from the "24 Hours" newscast]

[Text] When the country thought the controversy between President Cesar Gaviria and the State Council had ended, the president sent a letter to the council members, offering them his respect. The council members decided to answer with silence and to abstain from answering any message. They will wait for the results of an investigation being conducted by the Attorney General's Office and Congress. This is President Gaviria's answer to the State Council:

Given the declaration approved by you yesterday I want to address, through you, all the council members to reassert, as a citizen and president of Colombia, that that high-ranking organization deserves my greatest respect; and, by defending the government's views in connection with the cooperation given by foreign military members in our country, I did not seek to insult that important organization. Instead, I wanted to clearly state our views on matters that are extremely important for the country.

I fully share your views, meaning you would rather wait until a debate is held in Congress to carefully analyze the two sides' position. In the end, allow me to tell you I do not consider this disparity of viewpoints to be a confrontation between branches. Instead, it is a characteristic of a democracy.

Government, People's Militia Sign Peace Preagreement

PA1502185994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Feb 94

[Report by Sandra Vergara on the "National" newscast]

[Text] Good afternoon. At this very moment, in the presence of Fabio Villegas, government and interior minister, the governor of Antioquia Department, the mayor of Medellin, and representatives of the People's Militia, a preagreement for the negotiation of a real peace process between the People's Militia and the Colombian Government is being signed. The members of the People's Militia have said that a cease fire will begin with the signing of this preagreement and that in the next 30 days, approximately 400 armed militiamen will surrender their weapons.

Marines Link Army Officer to Death Squad

PA1602013394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Feb 94

[Report by Alvaro Ayala]

[Text] Two marine infantrymen have accused Army Colonel Rodrigo Quinones of being the head of an intelligence group that murdered at least 100 union leaders in the central Magdalena region, mainly in Barrancabermeja.

One of the marines has served for eight a half years in the Navy and as a result of his duties was responsible for a logistics office where hired killers were paid.

Everything was uncovered when Col. Rodrigo Quinones gave the order to execute several subordinates in order to conceal what was taking place. In addition, the two marines indicated that the U.S. Government is seeking to establish a military base in the Colombian pacific coast through the region of Bahia Solana in Choco Department.

[Begin recording] [Unidentified marine] The Venezuelan case is clear evidence that there is an intention to destabilize the region with the objective of increasing an arms buildup in the region because of its location and because the Americans have always been interested in the bay area.

[Ayala] How did the Army intelligence network in the middle Magdalena region operate?

[Marine] The only thing the network did was to channel all information and leave everything on Rodrigo Quinones' desk. He in turn would determine who would be eliminated as he did with journalist (Ibal Jaime). Quinones said that Jaime was making too many inquiries and there was need to silence him or get rid of him. (Ibal Jaime) was followed until he was finally killed. The same thing happened to some union members and human rights activists.

[Ayala] As an Armed Forces serviceman, were you ever a member of a group that became involved in illegal activities?

[Marine] I was part of a special forces group in 1986 and 1987 that operated in the central Magdalena region and was involved in several murders in the Antioquia sierra.

[Ayala] At that time, whom did the group attack?

[Marine] During that period we executed several union members of the petroleum [words indistinct].

[Ayala] The same group to which you belonged?

[Marine] Yes, the special forces group. In addition, the central Magdalena authorities cooperated with us and [words indistinct].

[Ayala] Did the group become involved in anything illegal in Bahia Solano?

[Marine] I was ordered to eliminate two persons in Bahia Solana. I was instructed to organize as well as to plan everything and that several persons would be sent to assist me in eliminating someone in Bahia Solano. I refused to do it because it was against my principles. However, when I returned I found out I had earned Mr. Rodrigo Quinones' enmity.

[Ayala] Who ordered the execution of those persons?

[Marine] We received the order from Mr. Rodrigo Quinones, but through Major Jairo Osorio and Captain Rafael Colon.

[Ayala] Whom where you ordered to execute?

[Marine] Well, local investors and businessmen.

[Ayala] What was the reason for wanting to eliminate them?

[Marine] For the simple reason that they were the most visible persons in the community. It is not the same thing to kill a tramp as it is to kill someone who is investing in the region. This would prompt massive protests as well as unrest and would allow military intervention which is what we were seeking. [end recording]

At this time the former marines are under the protection of a human rights organization and Attorney General Carlos Gustavo Arrieta is personally conducting the investigation.

* Sintura Aide Allegedly Accepted Bribes

* Private Secretary Arrested

94SM0215A Santa Fe de Bogota EL TIEMPO in Spanish 13 Jan 94 pp 1, 8A

[Text] Deputy Prosecutor General Francisco Jose Sintura was forced to remove his private secretary from office after an elite investigative team working directly under the authority of Prosecutor General Gustavo De Greff found evidence justifying an investigation of the official for alleged "bribes."

As Sintura's private secretary, Orlando Caceres Henao had succeeded in making himself indispensable in the office. Taking advantage of that position, he apparently hinted that he wielded some influence in the processing of documents and demanded sums of money in return for his "services."

Complaints from several citizens—said to be contractors and suppliers for the Prosecutor General's Office—led the prosecutor general's elite investigative team to begin its respective inquiries. Only hours ago, a prosecutor made the decision to take Caceres Henao into custody.

Once the investigators had informed Sintura of the result of their preliminary investigations and of the decision made by the prosecutor handling the case, the deputy prosecutor general removed the official from his post.

Reliable sources told EL TIEMPO that "Caceres was demanding commissions allegedly ranging from 300,000 to 700,000 pesos, assuring the potential blackmail victims that he could speed up the obtention of signatures needed on contracts.

The source stressed that "what was most unusual about this case is that Caceres was not in a position to influence any decision because his responsibility amounted to no more than verifying whether documents required by the Prosecutor General's Office were complete and in order."

Nor did the official have access to confidential reports that form part of the records in cases involving drug trafficking or plea bargaining.

Even as EL TIEMPO continued its efforts to get in touch with Sintura yesterday, no more than a brief bulletin was released by the Press Office. In it, the deputy prosecutor general deplored the events and noted that routine internal inspections had led to the "discovery of conduct that might constitute a violation of criminal law."

Sources consulted by EL TIEMPO indicated that the alleged crime of extortion was based on the original report said to have been given to the elite team.

Impeccable sources report that Caceres, who is to be questioned in the hours ahead, once worked for the Office of International Affairs, another department under the Office of the Deputy Prosecutor General.

However, those same sources refrained from giving out any details about the period under investigation or other rumored irregularities that the Prosecutor General's Office may have discovered. The bulletin from the Press Office reads as follows:

"The deputy prosecutor general regrets to inform the public that routine internal inspection procedures established by the institution some time ago have led to the discovery of conduct that might constitute a violation of criminal law. Because of the investigation being conducted by the Office of Prosecutor General, Orlando Caceres Henao was taken into custody following his removal from the post he held as private secretary to the deputy prosecutor general."

* Editorial Views Incident

94SM0215B Santa Fe de Bogota EL TIEMPO in Spanish 15 Jan 94 p 4A

[Editorial: "If the Salt Loses Its Flavor...."]

[Text] Corruption and crime have existed from time immemorial. Ever since man set foot on this earth, *homo sapiens* has had to be watched over and punished. Not

only are the Ten Commandments a guide, but also a form of prevention and a warning to those who do not follow them. National laws, those set forth by man, are in a sense a modern replica, ever harsher but, unfortunately, apparently increasingly ineffective. All of them, starting with those handed down during the time of Moses, have pursued a single purpose: to protect morals.

In this struggle, violators fall almost daily, while others escape. And yet—nor is this a purely Colombian phenomenon—immorality continues to spread and it is very frequently the high-ranking officials who are involved in cases of corruption. In our country, the list is long. However, the most disturbing fact is that these cases occur in the very institutions responsible for ensuring that justice is served and, furthermore, that justice is done. We have recently been surprised by cases such as the one involving the prosecutor responsible for overseeing the Judicial Police, Guillermo Villa Alzate. Now, the deputy prosecutor general's private secretary, Orlando Caceres Henao, is accused of extortion, apparently on the basis of conclusive evidence. All of which makes the average citizen think of the old saying to the effect that "when even salt loses its taste," we face the danger that bad examples are spreading. That is why we believe that cases of high-level corruption must be investigated most rigorously and, when the crime is proven, harshly punished.

We said yesterday that the sex education so essential in our schools should be accompanied by healthy information provided to children by their parents at home. The same is true of morals and ethics. It is likewise the responsibility of fathers and mothers to teach the necessary notions so that, as adults, those children will base their conduct on the strictest standards of morality.

* Allegations of Drug Money in Politics Viewed

94SM0208A Santa Fe de Bogota EL TIEMPO in Spanish 11 Jan 93 p 4A

[EL TIEMPO editorial: "Hot Money"]

[Text] There has been rather frequent mention in recent times of the alleged link between money of dubious origin, generally called "hot money," and the conduct of political campaigns. The issue has taken on particular relevance in view of the fact that there will be a series of elections this year and the campaigns of candidates of all persuasions are in full swing.

Naturally, to prevent the use of funds and resources of illicit origin, provisions have been made for campaigns to be financed according to very explicit standards and controls. But the infusion of hefty sums of money into these campaigns, money whose origin has not really been established, has given rise to complaints about its use. Two specific cases have already been reported in the departments of Cauca and Atlantico.

There is no question of accepting the accusations at face value without conducting the necessary investigation. But it is appropriate, indeed imperative, that the Office of the Treasury Inspector, which has such a propensity to become distracted by other matters that appear to be an abuse of authority, devote its energies to the rigorous oversight that is incumbent upon it in these cases, as many have urged it to do.

Any possibility that election campaigns, and political campaigns in general, may be using resources of illicit provenance should be confronted, investigated, and stopped at the earliest opportunity. Radical action must be taken; there is no excuse for any delay whatsoever. If there are any signs pointing to this possibility, the situation must be clarified immediately to ensure that campaigns are absolutely clean. The Office of the Prosecutor General, for its part, should be equally vigilant to make sure the appropriate legal standards are strictly upheld, and that penalties for violations are imposed without leniency.

We understand how difficult it is to pinpoint hot money. But it is easy to smell it, to feel it: an excessively lavish campaign carried out by someone who is not that wealthy, someone who just manages to live on his salary or his inheritance, someone who is in no position to afford to spend fabulous sums to get elected. When that happens, "something is rotten in the state of Denmark." The voters can, should, and must grasp these subtle nuances in politics, because if the initial election is corrupt, what happens afterwards will definitely be harmful. The watchword of democracies in the world today should be to defeat corrupt or hot money, whatever you want to call it. Otherwise, democracy will have a hard time surviving.

Further Reportage on Visit by Peru's Fujimori

Views Terrorism, 'Fujimori-Style Coup'

PA1502221694 Lima Global de Television Network in Spanish 0100 GMT 15 Feb 94

[Report by Vanessa Rios from Santa Fe de Bogota; from the "Global TV News" newscast]

[Text] Upon arrival at Catam Air Force Base in Santa Fe de Bogota, President Alberto Fujimori was greeted at Narino Palace by Colombian President Cesar Gaviria. The welcome ceremony was held in the main courtyard of the presidential palace. Fujimori's accompanying delegation is headed by Alfonso Bustamante, president of the Council of Ministers and industry, foreign trade, tourism, and integration minister, three additional ministers, and members of the Democratic Constituent Congress. During a news conference held after the welcoming ceremony, Fujimori answered questions for Colombian reporters on the antidrug-trafficking struggle, violence, and human rights in Peru.

[Begin recording] [Fujimori] We are waging a battle against terrorism from which we cannot withdraw. Despite certain isolated incidents—as a matter of fact, very condemnable incidents in which members of the

Armed Forces are involved—we cannot risk our antiterrorist strategy or Armed Forces; that is basic. Furthermore, those who have expressed their differences or disagreement with this law are those who have participated in former governments in which flagrant cases were also handled by military courts. The best example of this would be the killings in the jails when approximately 300 prisoners were shot in the temple and killed. This matter was handled by a military court.

There were also cases involving the killing of peasants during the early eighties; a military court also handled these cases. One of the few cases handled by a civilian court was the case of General Noel [not further identified]. It took 10 years for the civilian court to hand down a sentence in this case—10 years. I am sure the deep-rooted goal is to punish those responsible for this horrible crime, and I know they will be punished. The people want this, and this will happen in a few weeks.

[Unidentified reporter] Your justice minister has said in Geneva 95 percent of the terrorist leaders are in jail. Is it true the other 5 percent want to sit down and talk to you to end terrorism in your country? What would you tell former Peruvian President Alan Garcia if you were to meet him here in Colombia? What would you tell him on behalf of the people and government of Peru?

[Fujimori] There has been no contact with that 5 percent of the terrorist leaders who are at large. Our intelligence organizations will make these contacts, which will be aimed at capturing them, not talking with them.

Regarding your second question, I will refrain from answering. I am more concerned about helping Peru out of its situation of underdevelopment and economic crisis.

[Reporter] How does it feel to be the initiator, at the world level, of the word Fujimori-style coup [Fujimorazo] as an unconventional procedure to defend democracy?

[Fujimori] I do not know [chuckles] what I feel, but I am sure I did something that was necessary for Peru and for regional security. Perhaps the process is not called a Fujimori-style coup, of Fujimorifazo, as the Brazilians say, but it is a process in which the people express their discontent for the inefficiency of the political systems that have led most of the people to poverty, underdevelopment, and misery. [end recording]

During the afternoon, President Fujimori was greeted by the diplomatic corps at the Foreign Ministry, located in the San Carlos Palace, which once had been Simon Bolivar's home. Fujimori also placed a wreath at Simon Bolivar's monument and received the keys to the city from the mayor of Santa Fe de Bogota.

Sanctions Against La Cantuta Accused

PA1602005294 Hamburg DPA in Spanish 2317 GMT 15 Feb 94

[Text] Santa Fe de Bogota, 15 Feb (DPA)—Peruvian President Alberto Fujimori said today in Santa Fe de Bogota he expects military justice in his country will enforce drastic sanctions against those responsible for the disappearance and assassination of a professor and nine students at La Cantuta University.

Fujimori held a news conference at the end of his two-day visit to Colombia and said this case "must be fully investigated," adding he does not endorse debates on what he called "form" issues, for example, the controversy unleashed in his country due to the case being turned over to military jurisdiction.

The president explained Congress issued a law (that allowed a changing of the venue from a civilian court to a military court) which "must be respected." He added the case, considered one of the most critical human rights violations in Peru, must be investigated to locate the culprits.

The disappearance of a university professor and nine students occurred in mid-1992, when unidentified individuals, presumably military, kidnapped the victims. According to journalists' investigations, the 10 were tortured and buried in a common grave.

Remarks on U.S. Counteraarcotics Struggle

PA1602005494 Madrid EFE in Spanish 2335 GMT 15 Feb 94

[Text] Santa Fe de Bogota, 15 Feb (EFE)—Peruvian President Alberto Fujimori said in Santa Fe de Bogota today that the U.S. counternarcotics struggle has proved useless although "billions of dollars were spent." "The change in the U.S. counternarcotics policy confirms that this policy did not yield the expected results." Although "billions of dollars were spent, nothing was attained," he said.

Fujimori made the remark in a news conference at the Narino Presidential Palace at the end of a two-day official visit. Fujimori said that, in view of the failure of the U.S. counternarcotics policy, the governments of the coca-producing countries, including Peru and Colombia, should outline joint strategies and insist that consumption is the reason for the persistence of drug trafficking.

According to Fujimori, "it is necessary to reassess" the alleged reduction in drug use, a crime "that has distorted our economies." He insisted that the problem "should be tackled by everyone involved" and that "imaginative solutions" should be sought. He said the war on drugs as it has been waged, "should not continue this way without offering alternatives to coca planters." He also said that his country cannot repress "200,000 poor coca planters" without offering them other ways out.

He pointed out that drug trafficking must be attacked by "hitting the big ones, not the poor ones." He insisted that drug trafficking could end "when there is economic development."

The end of drug trafficking, without setting any deadlines, "does not depend on us, but on consumers," Fujimori concluded.

Signs Agreements, Concludes Visit

PA1602034494 Lima Global de Television Network in Spanish 0100 GMT 16 Feb 94

[From the "Global TV News" newscast]

[Text] President Alberto Fujimori today concluded a two-day official visit to Colombia, where he signed with President Cesar Gaviria a document to create the Binational Neighborhood Commission in a ceremony at the Narino Presidential Palace. The commission will be in charge of reinforcing and improving bilateral relations and cooperation between the two countries. Gaviria and Fujimori also signed a joint statement to strengthen the relations between the two countries, and contribute to the peaceful solution of regional and international problems. The two presidents advocated the defense of participatory democracy in the hemisphere.

The last day of Fujimori's official visit began with a meeting with Colombian businessmen at the Tequendama Hotel, where Fujimori is lodged. The Peruvian ministers and delegates that accompanied Fujimori also attended the meeting. The meeting's main topic was Peru's reincorporation into the Andean Pact and the problems caused by the differences in tariffs in the two countries.

Although not anticipated in the official agenda, Gaviria and his wife, Milena, invited Fujimori to walk through Ciudad Bolivar, Santa Fe de Bogota's largest human settlement, to observe up close the government's education and food programs. The local residents welcomed the visitors with great excitement. Stopping on his walk through the area, Gaviria thanked Fujimori for reaffirming his support for Gaviria's candidacy for the position of OAS secretary general.

[Begin recording] [Unidentified reporter] How did you receive President Fujimori's announced support for your candidacy for OAS secretary general?

[Gaviria] I am grateful for this support for an aspiration that has not yet crystallized. I thank President Fujimori and the Peruvian people for this gesture of trust in me.

[Reporter] What does this meeting with the Colombian president mean to you, Mr. Fujimori?

[Fujimori] It is very fruitful in terms of experience and cooperation. As you can see for yourselves, the similarities between the peoples of Colombia and Peru are interesting and must be taken advantage of.

[Reporter] Will you invite the Colombian president to Peru so he can see the Peruvian people's struggles?

[Fujimori] I hope he will be able to visit Peru in the remaining five or six months of his term. [end recording]

Drug Trafficker Juan David Ochoa Sentenced to Prison

PA1502221394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Feb 94

[From the "24 Hours" newscast]

[Text] Starting today, a faceless judge has 10 days to confirm the Office of the Prosecutor General's request to sentence Juan David Ochoa Vasquez to a six and a half year prison term.

[Begin recording] [Reporter Juan Ortiz] Today, the Prosecutor General's office sentenced Medellin cartel drug trafficker Juan David Ochoa Vasquez to six and a half years in prison, within the anticipated sentencing framework for the crimes of illicit enrichment, drug trafficking, and collusion. At the hearing, which lasted approximately four hours, Deputy Prosecutor General Francisco Jose Sintura defined the terms of the negotiation, which includes the sentence handed down and the payment of a multimillion bond.

[Sintura] The Prosecutor General's Office decided to impose a sentence, after granting the reductions allowed by law for confessing, voluntarily surrendering to justice, and reaching an agreement with us.

[Ortiz] With this sentence, Juan David Ochoa could request parole in a little more than a year, since by then he will have served 75 percent of his sentence, which started on 16 February 1991. Today's agreement with Juan David Ochoa Vasquez concludes the proceedings against the Ochoa familiy, the first one to accept surrendering to the law. [end recording]

Foreign Minister: Ties With Venezuela 'Very Best'

PA1502213494 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 15 Feb 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Foreign Minister Noemi Sanin has said relations with Venezuela are the very best. Sanin has made these statements in response to those made by former Venezuelan Foreign Minister Fernando Ochoa Antich, who has said: Colombia causes us problems.

Pastrana Launches Presidential Campaign

PA1502161694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Feb 94

[Report by Raul Gutierrez from the Gonzalo Jimenez de Quesada Convention Center]

[Text] Good evening. Six months before the end of President Cesar Gaviria's term, 12 candidates are seeking to replace him. At this very moment, the array of candidates is being completed with the announcement of Andres Pastrana's candidacy at the Convention Center. Pastrana is being nominated by a national movement that heads the Conservative Party. Six years ago, 40-year-old Pastrana created the New Democratic Force [NFD]. The NFD is represented in Congress and the current administration. After resigning his seat in Congress six months ago, Pastrana began his campaign without talking or acting like a candidate. This upset some of his rivals in the conservative and liberal parties. The polls always show Pastrana ahead. The most recent poll shows Pastrana with 40 percent of the votes and Liberal Party candidate Ernesto Samper with 38 percent.

Today, during the event to nominate him, Pastrana is talking about his government plan. The plan stresses providing drinking water for 10 million Colombians; a revolution in education; and a plan for women, youths, and the family.

Here is Andres Pastrana delivering his nomination acceptance speech:

[Begin Pastrana recording, in progress] ...infrastructure, irrigation systems, providing [words indistinct] [end recording]

Interviewed on Bid

PA1502162694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 11 Feb 94

[Telephone interview with presidential hopeful Andres Pastrana by Dario Arizmendi and unidentified reporters in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast—live]

[Text] [Arizmendi] We are greeting the new presidential candidate Dr. Andres Pastrana Arango, who last night staged a spectacular event in Santa Fe de Bogota worthy of the best campaign rally in the United States or Europe—one that featured truly extraordinary organization and the participation of more than 3,000 people who packed the Gonzalo Jimenez de Quezada Convention Center. Good morning, Dr. Pastrana.

[Pastrana] Good morning, Dario.

[Arizmendi] Are you satisfied with yesterday's event?

[Pastrana] I am very happy, but it is more important that Colombians be satisfied, not me. Also, the truth is that we succeeded in unveiling most of our platform. The truth is we are very happy.

[Arizmendi] What do you think are the highlights of your platform?

[Pastrana] I think it is the whole area of social investment, something I think has been missing in our country, and all the opportunities now arising in Colombia. That is why I think most... [pauses] I think this recaps most of what we wanted [word indistinct] the time for Colombia has come. I think that through the efforts and hard work of all Colombians we are going to move ahead.

[Arizmendi] Some analysts feel that in last night's speech, in some of your promises and chiefly in your slogans, you evoked Jose Maria Aznar and his presidential campaign in Spain. His slogan was: Spain now. As I understand it, you concluded your speech by saying: Do not be mistaken, we are going to win; we are going to win. That is how Aznar always concluded his speeches. Is your friendship with Aznar responsible for this similarity?

[Pastrana] [laughs] We did not do it with that in mind, despite my friendship with Jose Maria Aznar. I think yesterday we tried to create a different style of presenting politics by way of a much more direct speech. As you could see, it contained examples. The language of the speech appealed to the people much more. I tried to explain most of our platform. I think the time for Colombia has indeed come, and this is why we must begin to work soon to begin to resolve the country's problems.

[Arizmendi] Are you still a Conservative?

[Pastrana] Yes, of course, I am still a Conservative, as I said yesterday. I think I was a little repetitive in outlining the campaign. Sometimes campaigns center on the wrong things. I think the topic of whether or not I am Conservative.... [pauses] this was defined a long time ago. I am and will remain a Conservative, but I am bringing to the attention of the Colombian people an eminently nationwide, suprapartisan [suprapartidista] candidacy. As I said yesterday, the campaign cannot be centered on whether or not I am Misael Pastrana's son. I am the son of Misael Pastrana, whom I love, admire, and respect, but as I said yesterday, we have led different lives and have been active in politics at different times. I also said yesterday that I will not shave my moustache. I said I was not going to shave it, and we were going to keep it throughout the electoral process.

[Arizmendi] Do not worry, I will not shave mine either. [laughs] Dr. Pastrana, what role will your father—former President Misael Pastrana Borrero—play in your political campaign?

[Pastrana] No, Dario, I believe that.... [pauses] in preparing for our campaign we have made great efforts to consolidate a significant group that will support us and work with us. I believe this was evident yesterday, when our candidacy was proclaimed. Naturally, Dario, my father has always been close to me. He is an excellent adviser, but naturally we are maintaining our organization, and we have clear proposals. I believe this is the first time a candidate has presented such a complete plan. Not only are we saying what we will do, but how we will do it, which in my opinion is the most important aspect of our government platform.

[Arizmendi] By accepting a suprapartisan Conservative candidacy, we imagine your running mate as vice presidential candidate will be a Liberal candidate?

[Pastrana] That is possible, Dario. You know that from the Senate I was possibly the one senator who was most opposed to a constitutional amendment by which the vice presidential candidate had to be of the same political affiliation as the presidential candidate. We won that battle in the Senate, and now that door remains open. I believe, Dario, that we must wait. The process is just beginning, the parliamentarian elections will be in March, and I believe later on in the elections process we will elect—at least in my case—our running mate.

[Arizmendi] What profile will that person have, Dr. Pastrana?

[Pastrana] First, he must be someone who is identified fully with our government plan, and logically a person the president of the Republic can trust. Those are two conditions I feel the vice president should have.

[Arizmendi] What are your views regarding the presence of foreign troops in our country? Give us your views.

[Pastrana] Dario, I believe that troops in Colombia based on cooperation agreements that deal with technical aspects or aspects related to drug trafficking and terrorism must be welcomed here. I believe Colombians should not reject any help that will enable us to eradicate drug trafficking and terrorism from our country. In facing that situation, I believe we must clearly say that the signing of various agreements has been very important for our country and that it will continue to be important in the future to maintain foreign troops and advisers in those fields. I believe this should be clear.

What possibly has happened in the Juanchaco case—and even the government has admitted this—is that there has not been enough clarity on the subject. Colombians are demanding clarity. In that sense, I believe Colombians have always reacted [word indistinct] with regard to the participation of foreign troops or advisers in matters important to the country. I believe we must support and maintain their presence.

[Arizmendi] What is your opinion of the way in which President Cesar Gaviria Trujillo reacted to the decision and statement issued by the State Council on how the government handled the presence of foreign troops in Juanchaco?

[Pastrana]) I believe all positions should be respected. What we are having now is a debate with regard to whether the Constitution was properly applied or not. The State Council has clearly stated its juridical position, and the president of the Republic has replied to this position. I believe it is important to mention—and I said this in a news release—that we are talking about the implementation of international treaties that are current [words indistinct] and I feel it is important and still possible to convoke the Foreign Relations Advisory Commission to clear up any doubts that might exist with regard to the implementation of current international treaties Colombia has signed.

[Arizmendi] Will you extend a friendly hand to the five members of the Conservative Party who will run against you?

[Pastrana] Not only to them, but friends from various sectors. We want Conservatives, Liberals, and independents to support our presidential candidacy.

[Arizmendi] You have identified with President Gaviria's economic policy. Some sectors have criticized that policy, which has been described as neoliberal and having a high social cost. Will you continue the same policy as Gaviria?

[Pastrana] Yes, definitely. I believe I said this clearly yesterday. On the subject of economic opening, I have said we must consolidate the process. President Gaviria has laid the foundations for a policy; now we must start building it. Some adjustments must be made to the foundations. In our speech yesterday we noted that today the government is seeking efficiency from the industrialists, but we are not giving them the tools to do this. As I said yesterday, I believe if we create a good infrastructure to project our country abroad, and if we make the necessary adjustments, our country will move ahead in the opening process. I also believe—and I have been serious about this—that we must consolidate all the necessary conditions to help the country in the area of social investments. We must make great efforts to obtain funds to conduct a revolution in education and to consolidate and develop rural areas once and for all, as well as consolidate peace and tranquility, which is what all Colombians want.

[Arizmendi] Dr. Pastrana, you have said you will not receive any contribution or aid from the Santo Domingo Group for the election campaign. Will you adopt the same position with regard to other economic groups?

[Pastrana] I did not say that. What I have said publicly, as you know, is that issue is behind me. I have adopted a clear position regarding Colombia's privatization process. I have expressed the hope that Colombia's privatization process will not constitute a transition from a state monopoly to a private sector monopoly. What is at issue is the democratization of our institutions and our ability to plan for the future as other countries have done under similar circumstances. In Chile and other Latin American countries, privatization processes were employed to democratize institutions instead of creating monopolies.

[Arizmendi] Dr. Andres Pastrana, if you have not said publicly that you will not receive economic contributions from the Santo Domingo Group, what is your position regarding contributions made by various economic groups to your political campaign?

[Pastrana] You are well aware of the Santo Domingo Group case, Dario. The position I have adopted has nothing to do with public opinion; it is a personal position. I believe it is important to establish rules that will preclude concentrating power in the hands of a few and instead truly foster the decentralization and democratization of institutions, especially those that belong to the state.

[Arizmendi] Dr. Pastrana, forgive me for insisting, but perhaps I did not understand your position. Does this mean you will not accept economic aid for your campaign from the Santo Domingo Group?

[Pastrana] You have asked that question three times, and I understood you each time. If the decision were mine to make I would say no, but it is a political decision.

[Arizmendi] What about other economic groups? Will you accept aid from the Ardila Group, Sarmiento Group, or Chavarria Group?

[Pastrana] Dario, what matters is the management of campaign finances, which will not be done directly by Andres Pastrana. For that I have appointed Hernan Bell, who is very capable, and I have a large group of friends who are helping us amass resources to consolidate the upcoming political process.

I believe, Dario, that it is important and fortunate that democracy exists in Colombia and that the state is largely financing the elections. Today the state, through the Electoral Law, is supplying funds to congressional, senatorial, council, assembly and presidential candidates, depending on the number of votes they receive. I believe this is a very significant aspect of the Colombian political process, because without that aid many people would be unable to campaign. Because of it, however, the political process is much more transparent.

[Arizmendi] As for transparency, Dr. Pastrana, it would be nice to have an explanation of what happened between you and the Santo Domingo Group. What did the group do to you or what happened to create this situation and to prompt the remarks you have made?

[Pastrana] I believe this is an internal issue; it is not an electoral campaign issue. The fact is that the Santo Domingo Group and I know what happened and I do not believe this is an issue in the campaign.

[Arizmendi] Dr. Pastrana, during your speech last night at the Convention Center you referred to a reduction in beer taxes. Would you briefly explain your position?

[Pastrana] Yes. It is largely an effort to defend the incomes of municipalities and departments. I believe we should ensure that they maintain a large part of their income from taxes on beer, which has been essential to certain municipal and departmental projects.

[Arizmendi] You have spoken of complete, irreversible openness. Do you believe it is equitable for the national beer industry to compete with contraband beer on which taxes are not paid?

[Pastrana] I would not put it that way, Dario. I do not like to analyze politics [word indistinct] the way you are doing it. I believe you should listen again to the speech I delivered yesterday. If I came down hard on anything it was on contraband in Colombia. I even made a statement I would characterize as very harsh but which truly represents the feelings of the Colombian people. I said I believe Colombia's Customs Service is an embarrassment and we cannot allow contraband to compete against the industrial sector in our national markets. While industry is paying manufacturing costs and the VAT [value-added tax], contraband is invading our markets. Because of this very situation, I have said we must consolidate customs in Colombia because the country must try to compete in international markets under fair conditions.

[Reporter] Dr. Pastrana, in the past Belisario Betancur, also a Conservative, made the same call you are making today. The Liberals who backed him later paid a high political price and lost the elections. Do you believe that they learned their lesson and will not support you? Or do you really believe that your call on sectors other than the Conservatives will be answered?

[Pastrana] I believe the call will be heeded, and we know that the call has already been heeded in other important sectors, Liberal Party friends are accompanying us in this campaign. Independent sectors are accompanying us in this campaign. I think the country believes in something more than the simple political programs of one party or another. What we need to present is a true government program, with national coverage, which will allow us—everyone in Colombia—to begin working on a political program in search of the development we desire so much in Colombia. This is the invitation we have extended to Conservatives, Liberals, and independents, and we are certain that with all of their help and effort we will consolidate the political program we started yesterday.

[Arizmendi] What have you calculated to be the cost of your political campaign, Dr. Pastrana?

[Pastrana] The truth is that I am not familiar with the issue. This information is known by those who handle the financial aspects of the campaign. I think this is a very good question for (Dr. Kelskey), who is in charge of this. I believe that as a candidate my job is to go out and tour the country and continue to talk with the people. This is what I began doing today with my trip to Medellin and Antioquia.

[Reporter] Within eight days the Conservative Party convention will be held, summoned by the directorates that came together after remaining apart right up until a few months ago. This convention will probably proclaim

you as the official Conservative Party presidential candidate. What will be your attitude in light of this proclamation?

[Pastrana] We truly hope to receive the support of the Conservative Party. At the October convention we were asked to run as a national candidate. On 18 February, the party will decide which candidate it will back in the next elections. The truth is that I hope the Conservative Party gives me its support, and not only the Conservative Party, but also my Liberal Party friends and the independents. I insist that we can consolidate the political program I officially presented yesterday.

[Arizmendi] Will you allow the Conservative Party to exploit your image and candidacy?

[Pastrana] No, no, the truth is that today the country, if it has anything clear, Dario, is that we are presenting a national candidacy. Logically, I want and trust I will receive my party's support, but we will continue with the political program—a national program and plan that goes beyond the party.

[Reporter] Are you willing to engage in a dialogue with rebel candidates such as Rodrigo Marin, Gabriel Melo, and the others who have said they will put up a fight to the very end?

[Pastrana] If they have said they will put up a fight to the very end it will be difficult. Given such circumstances, it is important that next Friday—when the Conservative Party, through the method it has chosen, elects a candidate or candidates by [words indistinct]—I gain the Conservative Party's support. I believe this is important; my goal is to obtain the support of the Conservative Party.

[Arizmendi] What is your position on the process that is beginning to unfold in the country? This is in reference to the surrender to justice and negotiations with members of the Cali cartel.

[Pastrana] Dario, I hope that this endeavor will be realized. Nevertheless, I believe that we Colombians are waiting to be told what the final goal of this process is. At least from what we have heard in the media, the goal is peace, and, therefore, I believe it is positive. The truth of the matter is that I have been very clear in this regard. I believe the policy of surrendering to justice is sound and good as long as it is the criminals who surrender to justice and not justice that surrenders to the criminals.

[Arizmendi] In the Juanchaco case, do you believe that the president of the Republic and the defense minister have told the truth, the whole truth, and nothing but the truth to the Colombia people?

[Pastrana] The president of the Republic has said that the information on the issue was scant, and this is why I believe it was important to accept this and clarify the matter.

[Arizmendi] Mr. Pastrana, thank you very much for your discussion with Emisoras Caracol. Our microphones are at your disposal, as the Colombians have the right to information. Will there be equal opportunity for the various media in covering your political campaign?

[Pastrana] We expect the opposite will be true. We hope there will be balanced coverage in the media of our activities. In this way, we will be able to engage in a good electoral struggle awaited by all Colombians.

[Arizmendi] Do you believe that up until now the media has been fair in handling your political activity and your campaign?

[Pastrana] Yes, Yes, Dario, I believe that to a great extent they have been fair. This is why we hope that now that the process has been initiated [words indistinct] our name, we will have the opportunity, not only through Emisoras Caracol, but also through the various other media, to present to the Colombian people what we think and how we expect to resolve the nation's problems.

[Arizmendi] When I asked what happened to you with the Santo Domingo Group, it was to give you an opportunity to clarify this incident on the airwaves, directly to the nation. I understand it is not a serious incident and it does not have significant repercussions. But when matters are not explained, as happened in Juanchaco, when the whole truth is not told, then the people start speculating. They think: What could have happened? What could have they told each other? How did they hurt each other?

I understand that a serious incident did not take place, regardless of whether the dispute is ongoing, and regardless of any type of decision you may have made. Nevertheless, as a reporter, I believe it would be good for the nation to know why the Santo Domingo Group and Andres Pastrana had a falling out. What happened? What is behind the group's attitudes, which have started to give way to other attitudes?

[Pastrana] What attitudes are you talking about?

[Arizmendi] For example, it has been said that you want nothing to do with the Santo Domingo Group, that nothing will be demanded from the Santo Domingo Group, but that, eventually, requests will be made to other sectors.

[Pastrana] I am surprised by your question. If I am not mistaken, I believe it was through Caracol that I heard a communique from the group's president with regard to the issue that you are presenting. Theoretically, in that communique maybe everything that happened was not explained, but perhaps the president of the Santo Domingo Group wanted to give his side of the story.

[Arizmendi] Very well, Mr. Pastrana, I hope the campaign will be conducted in a respectful manner, respecting the rules of the game for the good of democracy and the good of the nation.

Advertisement Outlines Platform

PA1502195194 Santa Fe de Bogota EL TIEMPO in Spanish 11 Feb 94 p 9A

[Paid advertisement by presidential candidate Andres Pastrana: "Colombia's Time Has Come"]

[Text] Here are the seven key points that Andres Pastrana pledges to implement during his administration.

1. Economy

We are going to consolidate an economic, expeditious, and sustainable economic development model. The time for social equality and productive efficiency has come.

We are going to consolidate the bases for achieving growth rates above 8 percent, which requires the broadening of economic opportunities and an increase in the productivity of our workers at large and small companies. Development will be sustainable. Its objective is to benefit the people, chiefly the weak, within a policy of conserving the environment.

I pledge to expand and consolidate economic openness, guarantee macroeconomic stability, strengthen the productive capacity of the private sector, and make our government honest, humane, and efficient.

To conquer foreign markets and make exports one of the pillars of our economic growth, we are going to diminish our disadvantages in the labor force, technology, and infrastructure.

We are going to eliminate the barriers to our competitiveness first by continuing the reorganization of our customs service.

My government will not favor any particular sector or group, nor will it make the interests of a segment of society the engine of economic growth.

2. Education

We are going to make education the foundation of the new Colombian man. The time has come to guarantee equality of opportunity and to raise the quality of life for Colombians.

Millions of children are unable to enroll in school. We are going to ensure that at the end of the decade not a single Colombian between the ages of 5 and 15 will be without basic education.

We are going to improve the quality of our education, thinking of our development needs, training teachers, offering children and young people school supplies, and adjusting higher and technological education to the demands of our economy.

We are going to raise public spending on science and technology from the current .4 percent to 1.5 percent of gross domestic product. To handle modernization needs, we will train the current labor force and provide advice to our businessmen.

Education is more than desks and blackboards. Schools will be the heart of our family and community development policy.

We will eliminate the double shifts so students spend less time on the streets. We are going to stimulate the healthy use of free time in our children and young people.

3. Water and Environment

We are going to guarantee the preservation of our environment. The time has come to make adequate use of our natural resources, in particular, our water and forests.

At the conclusion of the four-year period, 90 percent of the people will have drinking water and at least 80 percent will have excellent sewage service. We are going to stimulate the use of unconventional technologies in treating sewage to preserve our natural resources.

We are going to curb the deterioration of hydric resources due to improper use.

To preserve our soils, we are going to promote irrigation and drainage policies that will also incorporate 520,00 new hectares into agriculture.

We are going to implement a plan to preserve our forestry resources and conserve hydrographic basins and minibasins. It will become necessary to involve the business sector in a program of reforestation and adequate development of silviculture and timber industry.

We will support scientific research and conduct an inventory of our natural resources.

We are going to promote environmental education, recreation, and tourism so all Colombians will be the defenders of our most precious natural resources.

4. Agriculture and Industry

We are going to impose an active policy of support for agriculture. The time has come for the structural adjustment of the livestock sector and agroindustry.

Openness has exposed the weaknesses of our agricultural and livestock sectors. Farmers are not solely responsible for this crisis. It is now up to the government to remove the obstacles to raising our productive efficiency and being more competitive on the international market.

Our goal is to increase exports and improve their quality, not to lock ourselves into the domestic market.

We are going to reinforce technological development in rural areas and build an irrigation infrastructure in places where it is most needed.

We are going to improve our marketing mechanisms.

We are going to develop information and administration systems to expedite decisions so farmers can be safe from unnecessary risks.

It will become indispensable to stress planning and orientation so farmers know what, when, and how to plant. We are going to turn our peasants into rural businessmen.

5. Infrastructure

We are going to modernize and overcome deficiencies in the physical infrastructure. The time has come for international competitiveness and Colombia's true regional integration.

Deficiencies in communications, roads, and energy raise the cost of production for businessmen and society and make us less competitive. It is time modernize our infrastructure.

We are going to build the first 750 km of high specification freeways, improve 9,000 km of the ones that already exist, and provide adequate maintenance to 70,000 km of roads.

We are going to repair 1,600 km of railroad.

Through a policy of reliability and efficiency, the country's energy consumption will be balanced. Colombia remains vulnerable in electric energy and fuels.

We are going to modernize our communications technology.

We are going to invest all necessary resources in the Atlantic Coast to turn it into the most attractive destination of the Caribbean.

6. Security and Justice

We are going to restore the rule of law to make our country more just. The time has come to guarantee citizens a more secure existence.

We will be inflexible in crushing and punishing all forms of crime. We are going to be ruthless with those who insist on destroying the country. We are going to strengthen the Armed Forces and the Police and emphasize intelligence mechanisms.

We do not endorse the decriminalization of the production, trafficking, or consumption of drugs. We are going to support programs to substitute crops, control the marketing of chemical precursors, and crush drug trafficking without hesitation.

We are going to decisively combat kidnapping and guarantee that the perpetrators of this horrendous crime are severely punished.

We are going to stimulate the support of citizens to combat this crime. Cynicism, complacency, individualism [individualismo], and negligence are Colombia's chief enemies.

We are going to defend the human rights of all Colombians.

We are going expedite Colombians' access to justice and establish mechanisms to reconcile and solve conflicts among those involved without the need to appeal to the courts.

7. Modernization of the State

We are going to take a step forward in modernizing our institutions and government-private sector relations. The time has come for a humane, honest, and efficient state.

To have a more prosperous country, it is fundamental to have a state that is more efficient, modern, and responsible in its obligations. We are going to combat without hesitation any form of corruption in either the government or private sector by strengthening the Attorney General's Office and advancing all legal and administrative measures to attain that goal.

We are going to further administrative and fiscal decentralization so territorial entities can have true autonomy and there can be an efficient allocation of jurisdiction and resources. We are going to orient public spending toward a search for greater efficiency and equality in public administration.

We are going to introduce in the public sector modern methods of organization and management to provide better service.

We are going to give dignity to public functions to extricate them from political interests so they can be at the service of all.

National Salvation Movement Backs Pastrana Campaign

PA1602034394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Feb 94

[Report by Raul Gutierrez and Azucena Lievano; from the "24 Hours" newscast; passages within quotation marks recorded]

[Text] Alvaro Gomez [leader of the National Salvation Movement, MSN] replied to Andres Pastrana today and in so doing made the political news of the year: The MSN backs fully the New Democratic Force [NFD] leader.

[Gomez] "We know if we free politics from its current commitments, Colombians will be able to change those hopes into national goals. We have seen in your presidential campaign, in your independence, in the clear style you have given it, and in your sensible proposals an opportunity to again effect these tasks in which we have believed all along."

The day before, Pastrana had sent Gomez a letter in which Pastrana pledged to carry out a deep political renewal, beginning with a moral recovery as a proposal for the consolidation of democracy.

[Gomez] "You have the intelligence and knowledge to carry out all of this and what is even more valuable, the aptitude to instill credibility."

Gomez then replied to all types of questions. He said on no account will he run for president, that the choice of vice president will be entirely up to Pastrana.

[Gutierrez] "Is it an adherence, a support, an alignment from the political point of view?"

[Gomez] "It is support; naturally, it is an attempt to fulfill a dream, because the MSN has always wanted to have a proposal for Colombians. Our desire to always have a proposal was made possible via Dr. Pastrana."

The decision to back Pastrana is not an act against the Conservative Party, the Liberal Party, or the government; it is for a change, Gomez concluded.

Alvaro Gomez Hurtado's support for the Pastrana campaign is of immense political and personal value, according to Andres Pastrana Arango. He said this support strengthens the party's union for the presidential elections.

[Pastrana] "It is especially meaningful, because we agree on the program. Just as Alvaro Gomez himself said in his message and as I have said, this is a flight plan; there are important points of agreements regarding the program we have presented for Colombians to examine."

According to Pastrana, this is the consolidation of a political process, but more than a victory, Pastrana says politics have changed:

[Pastrana] "We have clearly demonstrated one can leave behind old feelings of resentment and situations that arose between the Pastrana and Gomez families."

The presidential candidate said he is pleased with the entry of the MSN party, and the doors are open for other groups. He said contacts with leader Alvaro Gomez started the day his candidacy was launched, and campaign coordinator Luis Alberto Moreno handled the contacts.

* Editoral: 'Apertura' Program Needs Adjustment

94SM0203A Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Jan 94 p 2A

[EL ESPECTADOR editorial: "Traumas of the 'Apertura' Program"]

[Text] In our editorials, with some reservations in cases of disagreement, we have noted Colombia's gains to date through the "apertura" [economic liberalization program] and its execution. That is fair and appropriate for an objective analysis of the facts, since without an effective application of the model—so different from what we had before—Colombia could not have overcome the economic challenges that have emerged because of a transformation imposed not only by official government policies, but also by market dynamics. Events in the last decade have created a 360-degree change in the course of the entire world, forcing old powers to accede to a new international reality.

Even so, the nation, not just the government, failed to anticipate many factors that should have been considered earlier. Apart from the hasty implementation of an "apertura" that should have been gradual (as the former minister of development and now presidential candidate Ernesto Samper proposed), other factors creating maladjustments have come into play, sometimes as a consequence of the government's action, and at other times as a corollary of the business strategy designed to suffer as little as possible from the traumas of the change in economic model. So the "apertura" has produced different reactions in each economic sector, even in the same sector, depending on the subsectors' level of development.

If our memory is correct, on various occasions we strongly suggested that greater administrative efficiency was needed in government agencies handling imports, exports, and foreign trade in general. Without that efficiency—let there be no mistake about this—the goals pursued would be weakened by failures and omissions that would impair both competitiveness and the economic policy itself. We knew, of course, that the ideal of an efficient Colombia is a remote aspiration, but even so, the obvious successes of a transition to which almost all the countries of the world have committed themselves show that improvements are possible in a process that entails a period of experiments and learning.

To take one example, the situation in the import sector at the start of a year that was expected to be active is hard to comprehend. The possibility that the arrival and acceptance of imported goods might be impeded because there are no forms for the required procedures did not occur to anyone. The standards for the new valuation code were approved three months ago, sufficient time to prepare such an essential instrument. All of us, both those involved in this sector and those who are simply onlookers, were surprised by the government's failure to take a basic but valuable step to protect both importers and the state.

No less damaging for the "apertura" and the current privatizations policy is the situation concerning the transfer of ports to the private companies that will manage and operate them, especially as it has arisen just a few hours before the disappearance of Colpuertos [Colombian Port Enterprise] from the national administrative map. These are two strikes against the external sector that will definitely hurt both its structure and the pace of its normal operations. A few more requirements placed upon the public officials responsible for satisfying such urgent needs, even severe penalties if warranted, would be no bad thing if we truly want to become internationalized along with our partners and competitors in a complex market.

We are offering the preceding comments because a government nearing the end of its term in office is obliged to preserve the prestige of the policy it has adopted, and to exercise the controls required so that procedural matters will not dissipate the vigor of that policy. Furthermore, we believe the presidential candidates should pay attention to what is happening, so that whoever wins the election will be well aware of the problems he may face in an area that is crucial for the economy and for the stability of the nation in general. We hope these maladjustments will be reviewed and suitable correctives applied.

* Changing Production, Employment Trends Viewed

94SM0208C Santa Fe de Bogota EL TIEMPO in Spanish 11 Jan 94 p 4B

[Commentary by Antonio Urdinola: "Industry Is Weakening"]

[Text] Last week, in looking at the country's economic prospects for 1994, we saw how the increasing revaluation of the peso has created two very different groups. On the one hand, we have construction and services, both public and private, which are expanding rapidly and reporting high profits; and, on the other hand, we have most of agriculture, mining, and industry, as well as some internationally negotiable services, such as tourism and big business credit, where profits are declining, as are growth and job creation.

It is very likely that the economy will continue to be spurred on by construction and services in 1994, especially in the country's principal cities, where overt unemployment has fallen below 8 percent for the first time in many years. But these rosy statistics on urban unemployment and GDP [gross domestic product] conceal another story, one whose impact the next administration will have to grapple with.

The composition of production and employment is changing at a dizzying pace. The uncontrolled opening of the economy and the revaluation of the peso are leading to the deindustrialization of the country and a decline in the proportion of stable, well-paying jobs covered by collective bargaining agreements.

Construction and services do create jobs, but the jobs are less secure and pay less than those in industry. The labor reform measures, which did a great deal to make this market more flexible, have had the opposite result of what was expected: The proportion of workers in the informal sector has gone up as a result of the payroll cutbacks and the expansion of services.

The development model that the next government will inherit is thus much more like Spain's than like Taiwan's. The hypertrophy of construction and services, derived from a revalued currency and short-term foreign capital movements, is something very different from what the Asian Tigers have done to create economies based on the export of increasingly sophisticated manufactured goods. Our case is more similar to that of Spain before the peseta collapsed and the construction boom subsided while the flow of foreign capital stopped in a fearful response to the growing balance of trade deficit.

* Rural Unemployment Slightly Higher in 1993

94SM0208B Santa Fe de Bogota EL TIEMPO in Spanish 15 Jan 94 p 1B

[Text] Some 30,000 rural residents have joined the ranks of the unemployed in the last year. In September 1992, there were 246,101 people without jobs, and in the same month last year, that number had swelled to 276,081.

This was revealed in the National Administrative Department of Statistics (DANE) National Household Survey, which polled 7,000 households in 148 municipal jurisdictions in the Atlantic, Eastern, Central, and Pacific Regions. The former National Territories were not included.

Rural unemployment rose by 0.5 percent between September 1992 and the same month of last year, from 4.4 to 4.9 percent. In addition, the number of people who are able to work increased by only 0.2 percent.

The number of employed people in the rural population dropped by 0.4 percent, from 5,382,837 to 5,362,768, between 1992 and 1993. The number of jobless workers climbed by 12.2 percent, from 246,101 to 276,081 during the period studied by the DANE.

The working-age rural population grew by 2.3 percent, from 10,282,199 to 10,519,668.

No Work on the Coast

The Atlantic Coast Region, made up of the departments of Bolivar, Cesar, Magdalena, Cordoba, Sucre, Guajira, and Atlantico, has the highest rural unemployment rate, 5.5 percent of all working-age persons.

According to the DANE study, the number of jobless workers in this region of the country went from 64,499 to 70,049, out of a total rural population of 3,317,941 as of September of last year.

The second-highest unemployment rate was found in the Pacific Region (Choco, Cauca, Narino, and Valle), although it was down from 1992. According to the DANE, the jobless rate was 5 percent in this region as of September 1993, while the rate had been 5.3 percent in the same month of 1992.

The unemployment figure for the Eastern Region (Boyaca, Cundinamarca, Meta, and Santander) is still one of the lowest in the country at 4.7 percent, although it has increased in the last year.

The region with the least unemployment is the middle of the country, comprising the departments of Antioquia, Caldas, Risaralda, Quindio, Tolima, Huila, and Caqueta.

According to the DANE, the total population in the Central Region grew by 52,000 people during the year, while the number of working-age peasants rose 2.8 percent.

Rural Population 1992-93

Year	Total Population	Working-age Population	Labor Force	Employed	Unemployed	Unemployment Rate
1992	13,719,501	10,282,119	5,628,938	5,382,837	246,101	4.4%
1993	13,888,553	10,519,668	5,638,849	5,362,768	276,081	4.9%

Roundup of Economic Developments

PA1502205494

[Editorial Report] The following is a compilation of reports on Colombian economic developments through 15 February:

Foreign Trade Minister Juan Santos has said the Group of Three's (G-3) agreement to create a free trade zone—the Agreement of Economic Cooperation—has not been stalled by tariff issues. According to Santos, the members of the G-3—Colombia, Venezuela, and Mexico—fully agree on tariffs, and he added that only small details are pending. He also said that if everything goes according to plan, the agreement will be signed within 30 days. (Hamburg DPA in Spanish 1955 GMT 8 Feb 94)

The multinational oil firm Dutch Shell has asked the Colombian Government for a 10-year extension of its concession for the exploitation of an oil field in the southern department of Huila. The oil field, which is scheduled to revert to the state on 18 November, yields 18,000 barrels of crude a day. Shell said that if the extension is granted, it will comply with the terms established by the government and will pay corresponding royalties. (Madrid EFE in Spanish 2035 GMT 9 Feb 94)

Official sources said today that Colombia was able to increase its banana exports by 10.8 percent during the past year despite the difficulties this Latin American export is facing in the European market. In 1993, banana exports yielded $400 million in revenues. (Mexico City NOTIMEX in Spanish 1833 GMT 10 Feb 94)

The expected revenues Colombia will receive from the Cusiana oil bonanza have prompted the government to request $400 million less in new loans than the planned amount for 1994. This measure seeks to avoid a greater increase in international reserves, which could interfere with exchange and monetary policies. In addition, the government seeks to reduce the foreign public debt from $15 billion to $10 billion from now until the year 2,000. The Executive Branch has already notified the World Bank and the Inter-American Development Bank of the move. (Santa Fe de Bogota EL TIEMPO in Spanish 11 Feb 94 pp 1A, 1B, 3B)

Peru

Congressmen, Retired General Comment on Law on La Cantuta

PA1602041294 Lima Global de Television Network in Spanish 0100 GMT 13 Feb 94

[From the "Global TV News" newscast]

[Text] Congressmen Osvaldo Sandoval and Lourdes Flores Nano, as well as retired General Sivencio Jarama, today disagreed with both the law dealing with jurisdiction for handling the La Cantuta case and the U.S. Government pronouncement on this issue.

[Begin recording] [Flores Nano] The opposition has filed an amparo recourse, which will have to go through the normal proceedings and even be taken to international courts. The opposition has filed a reconsideration recourse, which still must be ruled on. The opposition will demand that the Constitutional Court Law be enacted and, with the people's support, will take the appropriate legal action to challenge the decision's constitutionality.

[Sandoval] I would say this communique has been released too hastily, without first assessing the context of the circumstances under discussion in the past few days.

[Reporter] According to the communique, the subject is particularly sensitive regarding the international environment, which demands a clear investigation. What would you say about these two words?

[Jarama] I would say we all demand clarity in the investigation. I think we all agree on the communique's final remarks. We must reach the conclusion that the current government's officials are unwilling to create the necessary mechanisms to consolidate the groundwork for a true democratic system in the country. I am concerned over how little is being done on the positive side and how much is being done to destroy the country's institutionality. [end recording]

Foreign Ministry Authorizes GATT Membership

PA1502153194 Paris AFP in Spanish 1341 GMT 15 Feb 94

[Text] Lima, 15 Feb (AFP)—Peru will join the GATT, it was officially reported this Tuesday. A Foreign Ministry

resolution authorized the Peruvian ambassador to this organization to sign the document.

According to the National Customs Superintendency, GATT membership will not adversely affect the nation's tariff collection because there are special provisions for developing nations.

An expert on the issue noted that initially the application of the agreement could generate certain reductions in tariff collection, but he clarified that Peru is only obliged to comply with the first three of the seven principles set out in the agreement.

Several days ago, Carmen Higaona, director of the Superintendency, expressed her support for joining GATT.

GATT members met last week in Geneva, where they analyzed Peruvian trade policy and agreed to encourage the Lima government to continue its liberalization reforms, highlighting its "positive effects."

* Industrialist on Export Growth, Job Creation

94SM0206A Lima EL COMERCIO in Spanish 12 Dec 93 p F24

[Unattributed interview with Ricardo Marquez Flores, head of the National Industries Association (SNI); place and date not given: "Ways of Creating Jobs in Peru"—first paragraph is EL COMERCIO introduction]

[Text] The most recent population and housing census, which was conducted in July, estimates that Peru's population grew by 30 percent over the past 12 years. When we compare this percentage to the growth of the Gross Domestic Product over the last five years, which was a negative 28.3 percent, we reach the conclusion that there is not enough output to feed these new mouths: there is more poverty, fewer businesses, and consequently fewer jobs. In this regard, in an interview with EL COMERCIO the president of the National Industries Association, Ricardo Marquez Flores, calls for a series of measures to improve standards for the population by creating jobs and bettering living conditions. The following is a summary of the interview:

[EL COMERCIO] Mr. Marquez, how do we create more jobs?

[Marquez] The National Industries Association is working on proposals to create new jobs in the country. We have seen that our industrial plants are operating at just slightly over half their capacity. So, one way to create jobs in Peru is to export and to continue promoting the programs for one million shoes, one million jogging suits, and the desks program. This will unquestionably further the development of microbusiness, which will create thousands and thousands of jobs, often involving entire families. Subcontracting is another way to create jobs.

[EL COMERCIO] Have you proposed any ways of cutting costs in industry?

[Marquez] Studies conducted by the SNI indi e two ways to cut costs. Techniques of total quality control, timely delivery, and business re-engineering involve companies proper. In addition, though, costs can be reduced by reducing the cost of port operations and others, and this is something that is now starting to be felt. But when we talk about cutting costs, we are also talking about fiscal overpayments, antitechnology taxes, and ways of making tax reimbursements simple, timely, and transparent.

[EL COMERCIO] Could you tell us about some alternatives to what you call the antitechnology taxes?

[Marquez] In connection with the minimum income tax, we are proposing, to the extent that this tax is temporary, a tax credit equivalent to the difference between the 2 percent tax on the value of the net assets paid out by companies the year before and 30 percent of profits that year.

[EL COMERCIO] What would the credit be used for?

[Marquez] The credit would be used to pay the tax in the current year, and whatever balance there is would go to pay the income tax or other taxes that furnish revenue to the Treasury.

[EL COMERCIO] As for negotiable credit memorandums, we know that $360 million has been returned in general sales taxes. Does this help you in any way?

[Marquez] Although it is true that $360 million in general sales taxes has been returned this year, the new arrangement of negotiable credit memorandums would complicate the return of the tax. In spite of the two changes that have been made, we still feel that a third is needed to make them viable. It is becoming harder and harder every day to obtain credit, not only for small and midsized business but for big business as well. This mechanism makes financing exports more expensive, because no exporter buys raw materials for just one month's shipments.

[EL COMERCIO] What proposals have you looked into for this tax?

[Marquez] We ought to amend the system set up by Article 3 of Decree Law 25748. We should also extend the life of the system of documents with cancellation power (Legislative Decree 190) and make it applicable to the entire export sector. While continuing to cut costs at the denominator without emphasizing a higher exchange rate, inasmuch as this would alter the entire economic program, we believe that the tax credit for the selective consumers tax on oil purchases ought to be regulated.

[EL COMERCIO] Does the industrial union that you head agree with the current economic program?

[Marquez] We realize that the economic program has to maintain the iron discipline of expanding the tax base.

[EL COMERCIO] Have you proposed alternatives for expanding the tax base?

[Marquez] Individuals should be allowed to deduct from their income tax the general sales tax they pay when making a purchase. Businesses can check the invoices and the RUC [Single Taxpayer Registry]. Lowering the selective consumers tax on whiskey and cigarettes has raised revenues from $12,000 to $220,000 a month. Therefore, we think that if the simplified system is cut from 5 to 2 percent, it would further formalize the economy. If we review the numbers under this simplified system, we will see that they are not significant today, because of the standard system. We ought to go back to the Receipts Lottery, but with greater incentives to bring more people in. SUNAT [National Tax Administration Superintendency] has increased the tax burden from 4.5 to 10 percent of the GDP. Today we have 9,000 main taxpayers, and there are 852,000 registered in the RUC, but we need to have SUNAT and Customs conducting investigations and cracking down on smuggling and undervaluation.

[EL COMERCIO] What is the commercial outlook in 1994 for the industrial union that you head?

[Marquez] We hope that exports expand by much more than the 4 percent a year that is anticipated. Peru needs to increase its exports by at least 10 percent a year as of 1994.

Article States Guzman Trying To 'Gain Time'

PY1402174494 Lima LA REPUBLICA in Spanish 28 Jan 94 pp 16, 17

[Article by Angel Paez]

[Text] Communiques signed by the "Central Committee of the Communist Party of Peru" (Shining Path) [PCP-SL] are similar to the contents of the document published by LA REPUBLICA on 25 January in which Abimael Guzman Reinoso [President Gonzalo] asserts that the peace agreement is a "strategic retreat," that is "complex, difficult, but necessary," and that the objective continues being to continue with the war "until we conquer power."

The first communique is entitled "Hail Maoism!" It transcribes the "resolution" of the Central Committee about the commemorations of Mao Zedong's 100th birthday, stressing the SL's support "for the leadership of President Gonzalo."

According to the document, "President Gonzalo" will make the New State flourish with the help of the People's Liberation Army, which through hard combat will eventually achieve the immediate goal: To conquer power in the whole country and to install the People's Republic of Peru." [no opening quotation marks published]

The SL "resolution," which is just a party agreement at its highest leadership levels, also envisages an increase in armed actions against the Peruvian State.

"It is our duty to aim all our actions (....) and mainly to develop the people's war with increasingly ambitious plans and greater war actions, using all our forces to the maximum; totally and strictly complying with the task established by President Gonzalo."

Another SL communique, which includes the "speech" Guzman gave when he was presented to the media in a striped prisoner's uniform following his arrest in September 1992, states that "the international, national, and party situation marks the arrest (of Guzman) as an historical event and places on alert all forces to comply with the IV Strategic Development Plan and the VI Military Plan, according to what was established by the III Plenum of the PCP-SL Central Committee."

Between Abimael Guzman's arrest until September 1993, the SL has carried out the first guerrilla campaign called "Defend the life of President Gonzalo!," and from November 1993 until the present it is carrying out the second campaign called "In Defense of the Leadership Against the Genocide Dictator!"

The two campaigns are part of the so-called Sixth Great Military Plan to which the subversives refer.

This latter document includes the most recent decisions of the leadership connected with the strategy and objectives of the organization led by Guzman.

As for strategy, the Maoists state: "We reassert the three strategies established by President Gonzalo: political strategy: conquest of power; military strategy: the people's war, to develop preparations for insurrection; strategy of construction, to build the conquer of power amid the people's war."

Among the objectives of the SL—which totally opposes the contents of the letters Guzman sent to President Fujimori praising the policies of his regime—we find: "To combat the treacherous genocide of the dictatorship of Fujimori, to defeat his counterrevolutionary plan (and) to upgrade the people's war by developing a strategic balance to conquer power in the whole country."

Guzman's statements in his letters are not at all in keeping with his strategies and objectives expressed in the SL communiques or in the document published by LA REPUBLICA. On the contrary, they show that Abimael Guzman is playing a double game to "gain time" and to recompose his organization's apparatus and thus guarantee the continuity of the peoples war that he unleashed in May 1980.

In another PCP-SL bulletin entitled "Declaration" the SL again stresses its decision to continue to combat the regime "headed by the genocidal traitor puppet Fujimori, the most loyal lackey of Yankee imperialism," whioch clearly contradicts Guzman's statements that the government "has made real accomplishments."

The document minimizes the efforts for pacification and specifically refers to the "capitulation of the SL" to dialogue which is labelled as "another lie which the reactionary government periodically releases (....), a ridiculous and clumsy lie that no one with even the smallest brain can consider serious and which will evaporate, like the ones that came before it, prior to an endless turmoil of the people's war."

Contrary to the spirit of the letters written by Guzman and the unveiling of the real motive for his apparent willingness to lay down his weapons, the PCP-SL Central Committee states: "The people's war will triumph inevitably, marking an event that will decisively contribute to the development of the international proletarian revolution; the People's Republic of Peru will become true thanks to the support and the combat trench of the working class."

As for Guzman, the declaration states: "With his everlasting light (....) he is leading us to the golden and shining Communism with a firm and sure hand," which clearly shows that the leadership of the self-proclaimed "President Gonzalo" is not questioned and that his followers support his determination to hold talks with the representatives of the regime, but only to distract their attention because "we are sure and convinced of the triumph of the revolution."

The most recent issue of EL DIARIO INTERNACIONAL, the SL mouthpiece that Luis Arce Borja, who is at large, publishes in Brussels, reveals the real sense of the negotiations between Abimael Guzman and the government.

The declaration states: "The people's war is not negotiable and there is no room for talks with this reactionary and criminal government. The revolutionaries have decided to destroy the old state, and to finish with the police and armed forces. We will definitively end this oppressive system and imperialistic domination, " adding: "These objectives cannot be conquered through agreements or 'peace conversations.' The struggle of the masses cannot be auctioned."

The viewpoint of EL DIARIO INTERNACIONAL is based on the attacks committed by the Shining Path in the last four months: "The military attack that the Maoist guerrilla has been promoting since last September and which brilliantly continued in October, November, and December, is the argument against all those who, based on the lies of the government, have tried to discredit President Gonzalo and the war of liberation in Peru."

Arce Borja supports the "leadership" of Guzman and acknowledges that he is the irrefutable leader of the PCP-SL, therefore his criticisms of the peace talks are not aimed at "President Gonzalo" but at demonstrating the existence of a SL strategy to take advantage of the dialogue to "gain strength."

"It is clear as daylight that the PCP-SL is as compact and strong organization as steel. It has been proven that its top central, regional, and local leadership cadres are active and healthy," states EL DIARIO.

Regarding the negotiations, the SL mouthpiece states: "It is naive to consider the possibility of peacefully maintaining the old state and the system of oppression."

Arce Borja asks: "What will a peace agreement serve for in Peru?, and answers: "The only ones to benefit from any 'peace agreement' are exclusively the enemies of the Peruvian people, especially the imperialistic forces."

The document published by LA REPUBLICA on 25 January clearly states that the SL people's war will carry on until 2060, stressing that it will be a "long" war. Arce Borja states that "time is not a problem for the people's war but it is for the Peruvian state."

Arce Borja concludes: "To acknowledge the letters of Fujimori is to disapprove the general political line of the revolution established by Abimael Guzman and to deny the validity of the program of the party whose strategic objectives aim to conquer power in the whole country and to build the people's republic of Peru."

Shining Path Printing Shop Raided; Leaders Identified

PY1502214894 Madrid EFE in Spanish 1643 GMT 12 Feb 94

[Text] Lima, 12 Feb (EFE)—The police reported today that a printing shop of the terrorist Shining Path [SL], where its clandestine newspaper EL DIARIO is printed, has been raided in Lima.

According to the source, National Counterterrorism Directorate (Dincote) agents carried out an operation on 6 February and captured 20 SL activists.

The detainees were involved in publishing the clandestine newspaper and in the SL's political propaganda. The SL is still active in Peru.

The police did not report the printing shop's location in Lima.

The authorities believe its discovery and dismantling represents a harsh blow against the SL because the printing shop belongs to the SL group that has not obeyed the orders of Abimael Guzman, the terrorist organization's leader and founder, to reach a "peace accord" with the Peruvian Government.

Guzman was detained on 12 September 1992 in Lima and sentenced to life imprisonment by an unidentified military court. He asked for a peace accord in October in various letters he sent to Peruvian President Alberto Fujimori.

Those imprisoned—including most SL leaders—have obeyed Guzman's order, but the activists who remain free emphasize that the man who is allegedly the Abimael Guzman who wrote the letters, and spoke on television to confirm the contents of the letters, is an

unidentified person who was trained for one year to impersonate the real Guzman.

The raided printing shop was under the orders of the free SL Central Committee, which, according to the police, is headed by [words indistinct] Alberto Ramirez Durand, alias "Feliciano," the new leader of the terrorist gang.

The SL's hard-line faction seems to be headed by Catalina Adriansen, the wife of SL ideologist Antonio Diaz who was killed during the penitentiaries massacre in 1986; "Feliciano;" Margie Clavo Peralta; and Isabel Rengifo; among others.

Martha Huatay, Laura Zambrano, and Teresa Durand Araujo, the wife of Osman Morote, who was also detained and is another top Shining Path leader, are among the imprisoned SL leaders who support the "Feliciano" faction.

This faction, which pursues the violent actions of the SL, is responsible for the latest attacks in Lima against the Air Force headquarters and the "Barbones" barracks during which two people were killed, many were injured, and there was extensive property damage.

SL experts believe there is an irrevocable division within the SL between those who approve and those who reject Guzman's position.

The newspaper EL COMERCIO today says that SL leader Martha Huatay managed to take from the prison a message by Guzman when she visited the Navy prison where the Shining Path leader is being held.

The message reportedly said: "My detention represents a turn along the way, join the masses, the people shall win."

In 1992, Dincote agents raided another Shining Path printing shop in Lima that was managed by Jorge Durand Araujo, who is in prison.

Durand Araujo is the brother of Maximiliano and Teresa, who are being described as founder members of the SL.